

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2101

(SENATE AUTHORS: TOMASSONI)

DATE	D-PG	OFFICIAL STATUS
04/17/2015	1875	Introduction and first reading Referred to Finance
04/21/2015	2092a 2102	Comm report: To pass as amended Second reading
04/22/2015		Special Order: Amended Third reading Passed

A bill for an act

1.1 relating to state government; appropriating money for agriculture, environment,
1.2 natural resources, jobs, and economic development; providing for animal health
1.3 and agricultural utilization research; making policy and technical changes to
1.4 various agricultural related provisions, including provisions related to pesticide
1.5 control, plant protection, nursery law, seeds, and loans; modifying license
1.6 exclusions for the direct sale of certain prepared food; establishing the Agriculture
1.7 Research, Education, Extension, and Technology Transfer Board; establishing
1.8 the Industrial Hemp Development Act; providing for incentive payments and
1.9 grants; modifying disposition of certain revenue; providing for pilot programs;
1.10 establishing the farm opportunity loan program; modifying fee provisions;
1.11 creating accounts; modifying recreational vehicle provisions; modifying aquatic
1.12 invasive species provisions; modifying state park and trail provisions; modifying
1.13 timber and land sale provisions; modifying provisions for reclamation of
1.14 lands; modifying game and fish laws; modifying the Water Law; regulating
1.15 water quality standards; regulating chemicals of high concern in children's
1.16 products; modifying solid waste provisions; making policy changes to labor
1.17 and industry, employment and economic development, Iron Range resources,
1.18 and the Bureau of Mediation Services; requiring studies and reports; requiring
1.19 rulemaking; amending Minnesota Statutes 2014, sections 13.43, subdivision 6;
1.20 13.643, subdivision 1; 13.7411, subdivision 8; 16C.144, by adding subdivisions;
1.21 18B.01, subdivisions 28, 29; 18B.32, subdivision 1; 18B.33, subdivision 1;
1.22 18B.34, subdivision 1; 18G.10, subdivisions 3, 4; 18H.02, subdivision 20, by
1.23 adding subdivisions; 18H.06, subdivision 2; 18J.01; 18J.02; 18J.03; 18J.04,
1.24 subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions
1.25 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 21.81, by
1.26 adding subdivisions; 21.82, subdivisions 2, 4; 21.85, subdivision 2, by adding a
1.27 subdivision; 21.89, subdivision 2; 41B.03, subdivision 6, by adding a subdivision;
1.28 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4;
1.29 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048, subdivision
1.30 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2;
1.31 41B.06; 45.0135, by adding a subdivision; 60D.215, subdivision 2; 65B.44, by
1.32 adding a subdivision; 72B.092, subdivision 1; 80A.84; 84.415, subdivision 7;
1.33 84.82, subdivisions 2a, 6; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 5;
1.34 84D.01, by adding a subdivision; 84D.13, subdivision 5; 84D.15, subdivision 3;
1.35 85.015, by adding a subdivision; 85.055, subdivision 1; 85.32, subdivision 1;
1.36 86B.401, subdivision 3; 87A.10; 88.6435, subdivision 4; 90.14; 90.193; 93.20,
1.37 subdivision 18; 97A.055, subdivision 4b; 97B.301, by adding a subdivision;
1.38 97C.301, by adding a subdivision; 103B.101, by adding a subdivision;
1.39

2.1 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision;
 2.2 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14, 15;
 2.3 103G.2251; 115A.1415, subdivision 16; 115A.557, subdivision 2; 115C.09,
 2.4 subdivision 1; 116.07, subdivision 4d; 116.9401; 116.9402; 116.9403; 116.9405;
 2.5 116.9406; 116J.394; 116J.395, subdivision 6; 116J.8738, subdivision 3, by
 2.6 adding a subdivision; 116L.05, subdivision 5; 116L.17, subdivision 4; 123B.53,
 2.7 subdivision 1; 179A.041, by adding subdivisions; 216B.1694, subdivision
 2.8 3; 216B.62, subdivision 3b; 268.035, subdivisions 6, 21b, 26, 30; 268.051,
 2.9 subdivision 7; 268.07, subdivisions 2, 3b; 268.085, subdivisions 1, 2; 268.095,
 2.10 subdivisions 1, 10; 268.105, subdivisions 3, 7; 268.136, subdivision 1; 268.194,
 2.11 subdivision 1; 298.018, subdivision 1; 298.22, subdivisions 1, 3, 4, 5, 6, 10, 11;
 2.12 298.221; 298.2211, subdivision 3; 298.222; 298.223; 298.225, subdivision 2;
 2.13 298.227; 298.28, subdivisions 4, 9a, 9d, 11, 15; 298.292, subdivision 2; 298.293;
 2.14 298.2961, subdivision 3; 326B.092, subdivision 7; 326B.096; 326B.106,
 2.15 subdivision 1, by adding a subdivision; 326B.13, subdivision 8; 326B.986,
 2.16 subdivisions 5, 8; 332.31, subdivisions 3, 6; 341.321; 375.30, subdivision 2;
 2.17 Laws 2014, chapter 308, article 6, section 14, subdivision 5; Laws 2014, chapter
 2.18 312, article 2, section 14; proposing coding for new law in Minnesota Statutes,
 2.19 chapters 13; 17; 28A; 41A; 41B; 65B; 80A; 84; 84D; 103B; 103F; 116; 116J;
 2.20 116L; 179; 268A; proposing coding for new law as Minnesota Statutes, chapter
 2.21 18K; repealing Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions
 2.22 9, 10; 41A.12, subdivision 4; 84.68; 86B.13, subdivisions 2, 4; 298.298; Laws
 2.23 2010, chapter 215, article 3, section 3, subdivision 6, as amended.

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

2.25 **ARTICLE 1**

2.26 **AGRICULTURE APPROPRIATIONS**

2.27 Section 1. **AGRICULTURE APPROPRIATIONS.**

2.28 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.29 agencies and for the purposes specified in this article. The appropriations are from the
 2.30 general fund, or another named fund, and are available for the fiscal years indicated
 2.31 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.32 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.33 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.34 year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal
 2.35 year ending June 30, 2015, are effective the day following final enactment.

2.36		<u>APPROPRIATIONS</u>	
2.37		<u>Available for the Year</u>	
2.38		<u>Ending June 30</u>	
2.39		<u>2016</u>	<u>2017</u>

2.40 Sec. 2. **DEPARTMENT OF AGRICULTURE**

2.41	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>45,964,000</u>	<u>\$</u>	<u>45,618,000</u>
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2.42	<u>Appropriations by Fund</u>	
2.43	<u>2016</u>	<u>2017</u>

3.1	<u>General</u>	<u>44,586,000</u>	<u>44,240,000</u>
3.2	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
3.3	<u>Agricultural</u>	<u>990,000</u>	<u>990,000</u>

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

3.7 Subd. 2. **Protection Services** 17,958,000 18,677,000

3.8	<u>Appropriations by Fund</u>		
3.9		<u>2016</u>	<u>2017</u>
3.10	<u>General</u>	<u>17,380,000</u>	<u>18,099,000</u>
3.11	<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>
3.12	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

3.13 \$388,000 the first year and \$388,000 the
 3.14 second year are from the remediation fund
 3.15 for administrative funding for the voluntary
 3.16 cleanup program.

3.17 \$300,000 the first year and \$250,000
 3.18 the second year are for compensation
 3.19 for destroyed or crippled animals under
 3.20 Minnesota Statutes, section 3.737. This
 3.21 appropriation may be spent to compensate
 3.22 for animals that were destroyed or crippled
 3.23 during fiscal years 2014 and 2015. If the
 3.24 amount in the first year is insufficient, the
 3.25 amount in the second year is available in the
 3.26 first year.

3.27 \$50,000 the first year and \$50,000 the second
 3.28 year are for compensation for crop damage
 3.29 under Minnesota Statutes, section 3.7371. If
 3.30 the amount in the first year is insufficient, the
 3.31 amount in the second year is available in the
 3.32 first year.

3.33 If the commissioner determines that claims
 3.34 made under Minnesota Statutes, section
 3.35 3.737 or 3.7371, are unusually high, amounts

4.1 appropriated for either program may be
 4.2 transferred to the appropriation for the other
 4.3 program.

4.4 \$225,000 the first year and \$225,000 the
 4.5 second year are for deposit in the noxious
 4.6 weed and invasive plant species assistance
 4.7 account established under Minnesota
 4.8 Statutes, section 18.89, to be used to
 4.9 implement the noxious weed grant program
 4.10 under Minnesota Statutes, section 18.90.

4.11 Notwithstanding Minnesota Statutes, section
 4.12 18B.05, \$90,000 the first year and \$90,000
 4.13 the second year are from the pesticide
 4.14 regulatory account in the agricultural fund
 4.15 for an increase in the operating budget for
 4.16 the Laboratory Services Division.

4.17 \$100,000 the first year and \$100,000 the
 4.18 second year are from the pesticide regulatory
 4.19 account in the agricultural fund to update
 4.20 and modify applicator education and training
 4.21 materials.

4.22 \$3,475,000 the first year and \$4,244,000
 4.23 the second year are for increased protection
 4.24 services.

4.25 **Subd. 3. Agricultural Marketing and**
 4.26 **Development**

4,823,000

3,873,000

4.27 \$186,000 the first year and \$186,000 the
 4.28 second year are for transfer to the Minnesota
 4.29 grown account and may be used as grants
 4.30 for Minnesota grown promotion under
 4.31 Minnesota Statutes, section 17.102. Grants
 4.32 may be made for one year. Notwithstanding
 4.33 Minnesota Statutes, section 16A.28, the
 4.34 appropriations encumbered under contract
 4.35 on or before June 30, 2017, for Minnesota

5.1 grown grants in this paragraph are available
5.2 until June 30, 2019.

5.3 \$634,000 the first year and \$634,000 the
5.4 second year are for continuation of the dairy
5.5 development and profitability enhancement
5.6 and dairy business planning grant programs
5.7 established under Laws 1997, chapter
5.8 216, section 7, subdivision 2, and Laws
5.9 2001, First Special Session chapter 2,
5.10 section 9, subdivision 2. The commissioner
5.11 may allocate the available sums among
5.12 permissible activities, including efforts to
5.13 improve the quality of milk produced in the
5.14 state in the proportions that the commissioner
5.15 deems most beneficial to Minnesota's
5.16 dairy farmers. The commissioner must
5.17 submit a detailed accomplishment report
5.18 and a work plan detailing future plans for,
5.19 and anticipated accomplishments from,
5.20 expenditures under this program to the
5.21 chairs and ranking minority members of the
5.22 legislative committees with jurisdiction over
5.23 agricultural policy and finance on or before
5.24 the start of each fiscal year. If significant
5.25 changes are made to the plans in the course
5.26 of the year, the commissioner must notify the
5.27 chairs and ranking minority members.

5.28 The commissioner may use money
5.29 appropriated in this subdivision for annual
5.30 cost-share payments to resident farmers
5.31 or entities that sell, process, or package
5.32 agricultural products in this state for the costs
5.33 of organic certification. The commissioner
5.34 may allocate these funds for assistance for
5.35 persons transitioning from conventional to
5.36 organic agriculture.

6.1 \$100,000 the first year is to (1) enhance the
 6.2 commissioner's efforts to identify existing
 6.3 and emerging opportunities for Minnesota's
 6.4 agricultural producers and processors to
 6.5 export their products to Cuba, consistent with
 6.6 federal law, and (2) effectively communicate
 6.7 these opportunities to the producers and
 6.8 processors. This is a onetime appropriation.

6.9 \$350,000 the first year is for grants to
 6.10 communities to develop or expand food
 6.11 hubs and other alternative community-based
 6.12 food distribution systems. Of this amount,
 6.13 \$50,000 is for the commissioner to consult
 6.14 with existing food hubs, alternative
 6.15 community-based food distribution systems,
 6.16 and University of Minnesota Extension
 6.17 to identify best practices for use by other
 6.18 Minnesota communities. No later than
 6.19 December 15, 2015, the commissioner must
 6.20 report to the legislative committees with
 6.21 jurisdiction over agriculture and health
 6.22 regarding the status of emerging alternative
 6.23 community-based food distribution systems
 6.24 in the state along with recommendations to
 6.25 eliminate any barriers to success. This is a
 6.26 onetime appropriation.

6.27 \$500,000 the first year is for urban
 6.28 agriculture development grants under
 6.29 Minnesota Statutes, section 17.1095. This is
 6.30 a onetime appropriation.

6.31 Subd. 4. **Bioenergy and Value-Added**
 6.32 **Agriculture**

7,235,000

7,235,000

6.33 \$6,235,000 the first year and \$6,235,000
 6.34 the second year are for the agricultural
 6.35 growth, research, and innovation program
 6.36 in Minnesota Statutes, section 41A.12. No

7.1 later than February 1, 2016, and February
7.2 1, 2017, the commissioner must report to
7.3 the legislative committees with jurisdiction
7.4 over agriculture policy and finance regarding
7.5 the commissioner's accomplishments
7.6 and anticipated accomplishments in
7.7 the following areas: facilitating the
7.8 start-up, modernization, or expansion of
7.9 livestock operations including beginning
7.10 and transitioning livestock operations;
7.11 developing new markets for Minnesota
7.12 farmers by providing more fruits, vegetables,
7.13 meat, grain, and dairy for Minnesota school
7.14 children; assisting value-added agricultural
7.15 businesses to begin or expand, access new
7.16 markets, or diversify products; facilitating
7.17 the start-up, modernization, or expansion
7.18 of other beginning and transitioning farms,
7.19 including loans under Minnesota Statutes,
7.20 section 41B.056; research on conventional
7.21 and cover crops; sustainable agriculture
7.22 on farm research and demonstration; and
7.23 research on bioenergy, biobased content,
7.24 or biobased formulated products and other
7.25 renewable energy development.

7.26 The commissioner may use up to 4.5 percent
7.27 of this appropriation for costs incurred to
7.28 administer the program. Any unencumbered
7.29 balance does not cancel at the end of the first
7.30 year and is available for the second year.

7.31 Notwithstanding Minnesota Statutes, section
7.32 16A.28, the appropriations encumbered
7.33 under contract on or before June 30, 2017, for
7.34 agricultural growth, research, and innovation
7.35 grants in this subdivision are available until
7.36 June 30, 2019.

8.1 Money appropriated in this subdivision may
8.2 be used for grants under this paragraph.
8.3 The NextGen Energy Board, established in
8.4 Minnesota Statutes, section 41A.105, shall
8.5 make recommendations to the commissioner
8.6 on grants for owners of Minnesota facilities
8.7 producing bioenergy, biobased content,
8.8 or a biobased formulated product; for
8.9 organizations that provide for on-station,
8.10 on-farm field scale research and outreach to
8.11 develop and test the agronomic and economic
8.12 requirements of diverse strands of prairie
8.13 plants and other perennials for bioenergy
8.14 systems; or for certain nongovernmental
8.15 entities. For the purposes of this paragraph,
8.16 "bioenergy" includes transportation fuels
8.17 derived from cellulosic material, as well as
8.18 the generation of energy for commercial heat,
8.19 industrial process heat, or electrical power
8.20 from cellulosic materials via gasification or
8.21 other processes. Grants are limited to 50
8.22 percent of the cost of research, technical
8.23 assistance, or equipment related to bioenergy,
8.24 biobased content, or biobased formulated
8.25 product production or \$500,000, whichever
8.26 is less. Grants to nongovernmental entities
8.27 for the development of business plans and
8.28 structures related to community ownership
8.29 of eligible bioenergy facilities together may
8.30 not exceed \$150,000. The board shall make
8.31 a good-faith effort to select projects that have
8.32 merit and, when taken together, represent a
8.33 variety of bioenergy technologies, biomass
8.34 feedstocks, and geographic regions of the
8.35 state. Projects must have a qualified engineer
8.36 provide certification on the technology and

9.1 fuel source. Grantees must provide reports at
 9.2 the request of the commissioner.

9.3 Notwithstanding Minnesota Statutes, section
 9.4 41A.12, subdivision 3, of the amount
 9.5 appropriated in this subdivision, \$1,000,000
 9.6 the first year and \$1,000,000 the second year
 9.7 are for distribution in equal amounts to each
 9.8 of the state's county fairs to preserve and
 9.9 promote Minnesota agriculture.

9.10 Of the amount appropriated in this
 9.11 subdivision, up to \$2,500,000 the first
 9.12 year and \$2,500,000 the second year are
 9.13 for incentive payments under Minnesota
 9.14 Statutes, sections 41A.14, 41A.15, and
 9.15 41A.16. Up to 4.5 percent of the amount
 9.16 available under this paragraph may be used
 9.17 for administration of the incentive payments.

9.18 **Subd. 5. Administration and Financial**
 9.19 **Assistance**

15,948,000

15,833,000

9.20 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
9.21 <u>General</u>	<u>15,148,000</u>	<u>15,033,000</u>
9.22 <u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

9.24 \$47,000 the first year and \$47,000 the second
 9.25 year are for the Northern Crops Institute.

9.26 These appropriations may be spent to
 9.27 purchase equipment.

9.28 \$18,000 the first year and \$18,000 the
 9.29 second year are for a grant to the Minnesota
 9.30 Livestock Breeders Association.

9.31 \$235,000 the first year and \$235,000 the
 9.32 second year are for grants to the Minnesota
 9.33 Agricultural Education and Leadership
 9.34 Council for programs of the council under
 9.35 Minnesota Statutes, chapter 41D.

10.1 \$474,000 the first year and \$474,000 the
10.2 second year are for payments to county and
10.3 district agricultural societies and associations
10.4 under Minnesota Statutes, section 38.02,
10.5 subdivision 1. Aid payments to county and
10.6 district agricultural societies and associations
10.7 shall be disbursed no later than July 15 of
10.8 each year. These payments are the amount of
10.9 aid from the state for an annual fair held in
10.10 the previous calendar year.

10.11 \$1,000 the first year and \$1,000 the second
10.12 year are for grants to the Minnesota State
10.13 Poultry Association.

10.14 \$108,000 the first year and \$108,000 the
10.15 second year are for annual grants to the
10.16 Minnesota Turf Seed Council for basic
10.17 and applied research on: (1) the improved
10.18 production of forage and turf seed related to
10.19 new and improved varieties; and (2) native
10.20 plants, including plant breeding, nutrient
10.21 management, pest management, disease
10.22 management, yield, and viability. The grant
10.23 recipient may subcontract with a qualified
10.24 third party for some or all of the basic or
10.25 applied research.

10.26 \$500,000 the first year and \$500,000 the
10.27 second year are for grants to Second Harvest
10.28 Heartland on behalf of Minnesota's six
10.29 Second Harvest food banks for the purchase
10.30 of milk for distribution to Minnesota's food
10.31 shelves and other charitable organizations
10.32 that are eligible to receive food from the food
10.33 banks. Milk purchased under the grants must
10.34 be acquired from Minnesota milk processors
10.35 and based on low-cost bids. The milk must be

11.1 allocated to each Second Harvest food bank
11.2 serving Minnesota according to the formula
11.3 used in the distribution of United States
11.4 Department of Agriculture commodities
11.5 under The Emergency Food Assistance
11.6 Program (TEFAP). Second Harvest
11.7 Heartland must submit quarterly reports
11.8 to the commissioner on forms prescribed
11.9 by the commissioner. The reports must
11.10 include, but are not limited to, information
11.11 on the expenditure of funds, the amount
11.12 of milk purchased, and the organizations
11.13 to which the milk was distributed. Second
11.14 Harvest Heartland may enter into contracts
11.15 or agreements with food banks for shared
11.16 funding or reimbursement of the direct
11.17 purchase of milk. Each food bank receiving
11.18 money from this appropriation may use up to
11.19 two percent of the grant for administrative
11.20 expenses.

11.21 \$500,000 the first year and \$500,000 the
11.22 second year are for grants to Second Harvest
11.23 Heartland on behalf of the six Feeding
11.24 America food banks that serve Minnesota
11.25 to compensate agricultural producers and
11.26 processors for costs incurred to harvest
11.27 and package for transfer surplus fruits,
11.28 vegetables, or other agricultural commodities
11.29 that would otherwise go unharvested, be
11.30 discarded, or be sold in a secondary market.

11.31 Surplus commodities must be distributed
11.32 statewide to food shelves and other charitable
11.33 organizations that are eligible to receive
11.34 food from the food banks. Surplus food
11.35 acquired under this appropriation must be
11.36 from Minnesota producers and processors.

12.1 Second Harvest Heartland must report when
12.2 required by, and in the form prescribed
12.3 by, the commissioner. Second Harvest
12.4 Heartland may use up to 11 percent of any
12.5 grant received for administrative expenses,
12.6 and up to four percent to reimburse for
12.7 transportation expenses.

12.8 \$94,000 the first year and \$94,000 the
12.9 second year are for transfer to the Board of
12.10 Trustees of the Minnesota State Colleges
12.11 and Universities for statewide mental health
12.12 counseling support to farm families and
12.13 business operators through farm business
12.14 management programs at Central Lakes
12.15 College and Ridgewater College.

12.16 \$17,000 the first year and \$17,000 the
12.17 second year are for grants to the Minnesota
12.18 Horticultural Society.

12.19 \$25,000 the first year is for the livestock
12.20 industry study required in this act. This is a
12.21 onetime appropriation.

12.22 Notwithstanding Minnesota Statutes,
12.23 section 18C.131, \$800,000 the first year
12.24 and \$800,000 the second year are from the
12.25 fertilizer account in the agricultural fund
12.26 for grants for fertilizer research as awarded
12.27 by the Minnesota Agricultural Fertilizer
12.28 Research and Education Council under
12.29 Minnesota Statutes, section 18C.71. The
12.30 amount appropriated in either fiscal year
12.31 must not exceed 57 percent of the inspection
12.32 fee revenue collected under Minnesota
12.33 Statutes, section 18C.425, subdivision 6,
12.34 during the previous fiscal year. No later
12.35 than February 1, 2017, the commissioner

13.1 shall report to the legislative committees
13.2 with jurisdiction over agriculture finance.
13.3 The report must include the progress and
13.4 outcome of funded projects as well as the
13.5 sentiment of the council concerning the need
13.6 for additional research funds.
13.7 \$8,500,000 the first year and \$8,500,000
13.8 the second year are for transfer to the fund
13.9 created in Minnesota Statutes, section
13.10 41A.18, subdivision 2. Of these amounts:
13.11 (1) at least \$2,000,000 each year is for
13.12 agriculture rapid response under Minnesota
13.13 Statutes, section 41A.18, subdivision 1,
13.14 clause (2);
13.15 (2) at least \$1,000,000 each year is for
13.16 agricultural education under Minnesota
13.17 Statutes, section 41A.18, subdivision 1,
13.18 clause (3); and
13.19 (3) at least \$500,000 each year is for farm
13.20 business management under Minnesota
13.21 Statutes, section 41A.18, subdivision 1,
13.22 clause (3).
13.23 To the extent practicable, funds expended
13.24 under Minnesota Statutes, section 41A.18,
13.25 subdivision 1, clauses (1) and (2), must
13.26 supplement and not supplant existing sources
13.27 and levels of funding. The base amount
13.28 for this program in fiscal year 2018 and
13.29 thereafter is \$3,500,000.
13.30 \$300,000 the first year is for grants to the
13.31 director of the University of Minnesota
13.32 Extension for a grant program to expand
13.33 the Takeoff 4-H Science, Technology,
13.34 Engineering, Arts, and Mathematics
13.35 (STEAM) Club for Somali youth throughout

15.1 (c) The commissioner shall take steps to ensure that eligible organizations serving
 15.2 ethnic communities are made aware of the grant and that they are encouraged to apply.

15.3 Subd. 2. **Grants to organizations or individuals.** The commissioner shall solicit
 15.4 grant applications from individuals and organizations for projects located in urban
 15.5 agriculture development zones in eligible cities. The commissioner shall rank applications
 15.6 based on the project's ability to:

15.7 (1) increase fresh food access, including access to affordable organic foods,
 15.8 to improve both local and regional food security through the development of urban
 15.9 agriculture projects; and

15.10 (2) reduce or eliminate health disparities related to food access.

15.11 Subd. 3. **Grants to cities.** The commissioner shall solicit grant applications from
 15.12 eligible cities that have adopted a zoning ordinance that designates urban agriculture
 15.13 development zones. Applicant cities must certify to the commissioner that the ordinance
 15.14 will remain in effect for at least ten years and must repay any grant funds received under
 15.15 this section if the ordinance is repealed or amended to prohibit urban agriculture during
 15.16 the ten-year period.

15.17 Subd. 4. **Expiration.** This section expires July 1, 2018.

15.18 Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:

15.19 Subd. 28. **Structural pest.** "Structural pest" means ~~a~~ an invertebrate pest, other
 15.20 than a plant, or commensal rodent in, on, under, or near a structure such as a residential
 15.21 or commercial building.

15.22 Sec. 4. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:

15.23 Subd. 29. **Structural pest control.** "Structural pest control" means the control of
 15.24 any structural pest through ~~the use of a device, a procedure, or application of pesticides~~ or
 15.25 through other means in or around a building or other structures, including trucks, boxcars,
 15.26 ships, aircraft, docks, and fumigation vaults, ~~and the business activity related to use of a~~
 15.27 ~~device, a procedure, or application of a pesticide.~~

15.28 Sec. 5. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

15.29 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest
 15.30 control applications:

15.31 (1) for hire without a structural pest control license; and

15.32 (2) as a sole proprietorship, company, partnership, or corporation unless the person
 15.33 is or employs a licensed master in structural pest control operations.

16.1 (b) A structural pest control licensee must have a valid license identification card
16.2 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
16.3 display it upon demand by an authorized representative of the commissioner or a law
16.4 enforcement officer. The license identification card must contain information required by
16.5 the commissioner.

16.6 ~~(c) Notwithstanding the licensing requirements of this subdivision, a person may~~
16.7 ~~control the following nuisance or economically damaging wild animals, by trapping,~~
16.8 ~~without a structural pest control license:~~

16.9 ~~(1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license~~
16.10 ~~or special permit from the commissioner of natural resources; and~~

16.11 ~~(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.~~

16.12 Sec. 6. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

16.13 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire
16.14 without a commercial applicator license for the appropriate use categories or a structural
16.15 pest control license.

16.16 (b) A commercial applicator licensee must have a valid license identification card
16.17 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
16.18 display it upon demand by an authorized representative of the commissioner or a law
16.19 enforcement officer. The commissioner shall prescribe the information required on the
16.20 license identification card.

16.21 Sec. 7. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

16.22 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator,
16.23 certified private applicator, or licensed structural pest control applicator, a person,
16.24 including a government employee, may not purchase or use a restricted use pesticide in
16.25 performance of official duties without having a noncommercial applicator license for an
16.26 appropriate use category.

16.27 (b) A licensee must have a valid license identification card when applying pesticides
16.28 and must display it upon demand by an authorized representative of the commissioner
16.29 or a law enforcement officer. The license identification card must contain information
16.30 required by the commissioner.

16.31 Sec. 8. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

16.32 Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative
16.33 agreements with federal and state agencies for administration of the export certification

17.1 program. ~~An exporter of plants or plant products desiring to originate shipments from~~
 17.2 ~~Minnesota to a foreign country requiring a phytosanitary certificate or export certificate~~
 17.3 ~~must submit an application to the commissioner.~~

17.4 Sec. 9. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

17.5 Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant
 17.6 products desiring to originate shipments from Minnesota to a foreign country requiring
 17.7 a phytosanitary certificate or export certificate must submit an application to the
 17.8 commissioner. Application for phytosanitary certificates or export certificates must be
 17.9 made on forms provided or approved by the commissioner. The commissioner ~~shall~~ may
 17.10 conduct inspections of plants, plant products, or facilities for persons that have applied for
 17.11 or intend to apply for a phytosanitary certificate or export certificate from the commissioner.
 17.12 ~~Inspections must include one or more of the following as requested or required:~~

17.13 ~~(1) an inspection of the plants or plant products intended for export under a~~
 17.14 ~~phytosanitary certificate or export certificate;~~

17.15 ~~(2) field inspections of growing plants to determine presence or absence of plant~~
 17.16 ~~diseases, if necessary;~~

17.17 ~~(3) laboratory diagnosis for presence or absence of plant diseases, if necessary;~~

17.18 ~~(4) observation and evaluation of procedures and facilities utilized in handling~~
 17.19 ~~plants and plant products, if necessary; and~~

17.20 ~~(5) review of United States Department of Agriculture, Federal Grain Inspection~~
 17.21 ~~Service Official Export Grain Inspection Certificate logs.~~

17.22 The commissioner may issue a phytosanitary certificate or export certificate if the
 17.23 plants or plant products satisfactorily meet the requirements of the importing foreign
 17.24 country and the United States Department of Agriculture requirements. The requirements
 17.25 of the destination countries must be met by the applicant.

17.26 Sec. 10. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

17.27 Subd. 20. **Nursery stock.** "Nursery stock" means a plant intended for planting or
 17.28 propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts,
 17.29 cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all
 17.30 viable parts of these plants. Nursery stock does not include:

17.31 (1) field and forage crops or sod;

17.32 (2) ~~the seeds of grasses, cereal grains, vegetable crops, and flowers;~~

17.33 (3) vegetable plants, bulbs, or tubers;

17.34 (4) cut flowers, unless stems or other portions are intended for propagation;

18.1 (5) annuals; or

18.2 (6) Christmas trees.

18.3 Sec. 11. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
18.4 to read:

18.5 Subd. 32a. **Sod.** "Sod" means the upper portion of soil that contains the roots of
18.6 grasses and the living grass plants.

18.7 Sec. 12. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
18.8 to read:

18.9 Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States
18.10 Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual
18.11 minimum hardiness temperature of -9 degrees Fahrenheit.

18.12 Sec. 13. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

18.13 Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be
18.14 exempt from the requirement to obtain a nursery stock ~~dealer~~ certificate if:

18.15 (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;

18.16 (2) all nursery stock sold or distributed by the individual is intended for planting
18.17 in Minnesota;

18.18 (3) all nursery stock purchased or procured for resale or distribution was grown in
18.19 Minnesota and has been certified by the commissioner; and

18.20 (4) conducts sales or distributions of nursery stock on ten or fewer days in a calendar
18.21 year.

18.22 (b) The commissioner may prescribe the conditions of the exempt nursery sales under
18.23 this subdivision and may conduct routine inspections of the nursery stock offered for sale.

18.24 Sec. 14. Minnesota Statutes 2014, section 18J.01, is amended to read:

18.25 **18J.01 DEFINITIONS.**

18.26 (a) The definitions in sections 18G.02, 18H.02, 18K.03, 27.01, 223.16, 231.01,
18.27 and 232.21 apply to this chapter.

18.28 (b) For purposes of this chapter, "associated rules" means rules adopted under this
18.29 chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.80 to 21.92.

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

19.1 Sec. 15. Minnesota Statutes 2014, section 18J.02, is amended to read:

19.2 **18J.02 DUTIES OF COMMISSIONER.**

19.3 The commissioner shall administer and enforce this chapter, chapters 18G, 18H,
19.4 18K, 27, 223, 231, and 232; sections 21.80 to 21.92; and associated rules.

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

19.6 Sec. 16. Minnesota Statutes 2014, section 18J.03, is amended to read:

19.7 **18J.03 CIVIL LIABILITY.**

19.8 A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232,
19.9 or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or
19.10 associated rules by the person's employee or agent.

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

19.12 Sec. 17. Minnesota Statutes 2014, section 18J.04, subdivision 1, is amended to read:

19.13 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official
19.14 department credentials, must be granted immediate access at reasonable times to sites
19.15 where a person manufactures, distributes, uses, handles, disposes of, stores, or transports
19.16 seeds, plants, grain, household goods, general merchandise, produce, or other living or
19.17 nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231,
19.18 or 232; sections 21.80 to 21.92; or associated rules.

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

19.20 Sec. 18. Minnesota Statutes 2014, section 18J.04, subdivision 2, is amended to read:

19.21 Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

19.22 (1) inspection of inventory and equipment for the manufacture, storage, handling,
19.23 distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27,
19.24 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

19.25 (2) sampling of sites, seeds, plants, products, grain, household goods, general
19.26 merchandise, produce, or other living or nonliving objects that are manufactured, stored,
19.27 distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H,
19.28 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

19.29 (3) inspection of records related to the manufacture, distribution, storage, handling,
19.30 or disposal of seeds, plants, products, grain, household goods, general merchandise,

20.1 produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27,
20.2 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

20.3 (4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232;
20.4 sections 21.80 to 21.92; or associated rules; or

20.5 (5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or
20.6 232; sections 21.80 to 21.92; or associated rules.

20.7 (b) The commissioner may enter any public or private premises during or after
20.8 regular business hours without notice of inspection when a suspected violation of chapter
20.9 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules may
20.10 threaten public health or the environment.

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

20.12 Sec. 19. Minnesota Statutes 2014, section 18J.04, subdivision 3, is amended to read:

20.13 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall
20.14 provide the owner, operator, or agent in charge with a receipt describing any samples
20.15 obtained. If requested, the commissioner shall split any samples obtained and provide
20.16 them to the owner, operator, or agent in charge. If an analysis is made of the samples,
20.17 a copy of the results of the analysis must be furnished to the owner, operator, or agent
20.18 in charge within 30 days after an analysis has been performed. If an analysis is not
20.19 performed, the commissioner must notify the owner, operator, or agent in charge within 30
20.20 days of the decision not to perform the analysis.

20.21 (b) The sampling and analysis must be done according to methods provided for
20.22 under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections
20.23 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods
20.24 or in cases where methods are available in which improved applicability has been
20.25 demonstrated the commissioner may adopt appropriate methods from other sources.

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

20.27 Sec. 20. Minnesota Statutes 2014, section 18J.04, subdivision 4, is amended to read:

20.28 Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation
20.29 of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated
20.30 rules has occurred may request an inspection by giving notice to the commissioner of the
20.31 violation. The notice must be in writing, state with reasonable particularity the grounds
20.32 for the notice, and be signed by the person making the request.

21.1 (b) If after receiving a notice of violation the commissioner reasonably believes that
 21.2 a violation has occurred, the commissioner shall make a special inspection in accordance
 21.3 with the provisions of this section as soon as practicable, to determine if a violation has
 21.4 occurred.

21.5 (c) An inspection conducted pursuant to a notice under this subdivision may cover
 21.6 an entire site and is not limited to the portion of the site specified in the notice. If the
 21.7 commissioner determines that reasonable grounds to believe that a violation occurred
 21.8 do not exist, the commissioner must notify the person making the request in writing of
 21.9 the determination.

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

21.11 Sec. 21. Minnesota Statutes 2014, section 18J.05, subdivision 1, is amended to read:

21.12 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27,
 21.13 223, 231, or 232; sections 21.80 to 21.92; or an associated rule is a violation of this chapter.

21.14 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other
 21.15 officers having authority in the enforcement of the general criminal laws must take action
 21.16 to the extent of their authority necessary or proper for the enforcement of chapter 18G,
 21.17 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules or valid
 21.18 orders, standards, stipulations, and agreements of the commissioner.

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

21.20 Sec. 22. Minnesota Statutes 2014, section 18J.05, subdivision 2, is amended to read:

21.21 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H,
 21.22 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules occur or the
 21.23 commissioner believes the public interest will be best served by a suitable notice of
 21.24 warning in writing, this section does not require the commissioner to:

- 21.25 (1) report the violation for prosecution;
 21.26 (2) institute seizure proceedings; or
 21.27 (3) issue a withdrawal from distribution, stop-sale, or other order.

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

21.29 Sec. 23. Minnesota Statutes 2014, section 18J.05, subdivision 6, is amended to read:

21.30 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered,
 21.31 or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or
 21.32 associated rules must appoint the commissioner as the agent upon whom all legal process

22.1 may be served and service upon the commissioner is deemed to be service on the licensee,
22.2 permittee, registrant, or certified person.

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

22.4 Sec. 24. Minnesota Statutes 2014, section 18J.06, is amended to read:

22.5 **18J.06 FALSE STATEMENT OR RECORD.**

22.6 A person must not knowingly make or offer a false statement, record, or other
22.7 information as part of:

22.8 (1) an application for registration, license, certification, or permit under chapter 18G,
22.9 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

22.10 (2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232;
22.11 sections 21.80 to 21.92; or associated rules; or

22.12 (3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232;
22.13 sections 21.80 to 21.92; or associated rules.

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

22.15 Sec. 25. Minnesota Statutes 2014, section 18J.07, subdivision 3, is amended to read:

22.16 Subd. 3. **Cancellation of registration, permit, license, certification.** The
22.17 commissioner may cancel or revoke a registration, permit, license, or certification
22.18 provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92;
22.19 or associated rules or refuse to register, permit, license, or certify under provisions of
22.20 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules
22.21 if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive
22.22 practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27,
22.23 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

22.25 Sec. 26. Minnesota Statutes 2014, section 18J.07, subdivision 4, is amended to read:

22.26 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an
22.27 order, the commissioner may attach the order to the facility, site, seed or seed container,
22.28 plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223,
22.29 231, or 232; sections 21.80 to 21.92; or associated rules and notify the owner, custodian,
22.30 other responsible party, or registrant.

23.1 (b) The seed, seed container, plant, or other living or nonliving object regulated
 23.2 under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated
 23.3 rules may not be sold, used, tampered with, or removed until released under conditions
 23.4 specified by the commissioner, by an administrative law judge, or by a court.

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

23.6 Sec. 27. Minnesota Statutes 2014, section 18J.07, subdivision 5, is amended to read:

23.7 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration,
 23.8 or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or
 23.9 232; sections 21.80 to 21.92; or associated rules may not allow a final judgment against
 23.10 the applicant for damages arising from a violation of those statutes or rules to remain
 23.11 unsatisfied for a period of more than 30 days.

23.12 (b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this
 23.13 chapter results in automatic suspension of the license, permit, registration, or certification.

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

23.15 Sec. 28. Minnesota Statutes 2014, section 18J.09, is amended to read:

23.16 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

23.17 Penalties, cost reimbursements, fees, and other money collected under this chapter
 23.18 must be deposited into the state treasury and credited to the appropriate nursery and
 23.19 phytosanitary, industrial hemp, or seed account.

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

23.21 Sec. 29. Minnesota Statutes 2014, section 18J.11, subdivision 1, is amended to read:

23.22 Subdivision 1. **General violation.** Except as provided in subdivisions 2 ~~and~~ 3, and
 23.23 4, a person is guilty of a misdemeanor if the person violates this chapter or an order,
 23.24 standard, stipulation, agreement, or schedule of compliance of the commissioner.

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

23.26 Sec. 30. Minnesota Statutes 2014, section 18J.11, is amended by adding a subdivision
 23.27 to read:

23.28 Subd. 4. **Controlled substance offenses.** Prosecution under this section does not
 23.29 preclude prosecution under chapter 152.

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

24.2 Sec. 31. **[18K.01] SHORT TITLE.**

24.3 This chapter may be referred to as the "Industrial Hemp Development Act."

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

24.5 Sec. 33. **[18K.03] DEFINITIONS.**

24.6 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

24.7 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

24.8 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant Cannabis sativa L.

24.9 and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol

24.10 concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not

24.11 marijuana as defined in section 152.01, subdivision 9.

24.12 Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01,

24.13 subdivision 9.

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

24.15 Sec. 34. **[18K.035] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

24.16 Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate

24.17 industrial hemp pursuant to a pilot program administered by the commissioner to study

24.18 the growth, cultivation, or marketing of industrial hemp. The commissioner may: (1)

24.19 authorize institutions of higher education to grow or cultivate industrial hemp as part

24.20 of the commissioner's pilot program or as is necessary to perform other agricultural,

24.21 renewable energy, or academic research; and (2) contract with public or private entities for

24.22 testing or other activities authorized under this subdivision. Authorized activity under this

24.23 section may include collecting seed from wild hemp sources.

24.24 Subd. 2. **Site registration.** Before growing or cultivating industrial hemp pursuant

24.25 to this section, each site must be registered with and certified by the commissioner. A

24.26 person must register each site annually in the form prescribed by the commissioner and

24.27 must pay the annual registration and certification fee established by the commissioner in

24.28 accordance with section 16A.1285, subdivision 2.

24.29 Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot

24.30 program pursuant to this section and Public Law 113-79.

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

25.1 Sec. 35. **[18K.04] AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

25.2 Industrial hemp is an agricultural crop in this state. A person may possess, transport,
25.3 process, sell, or buy industrial hemp that is grown pursuant to this chapter.

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

25.5 Sec. 36. **[18K.05] LICENSING.**

25.6 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a
25.7 license from the commissioner before growing industrial hemp for commercial purposes.
25.8 A person must apply to the commissioner in the form prescribed by the commissioner and
25.9 must pay the annual registration and inspection fee established by the commissioner in
25.10 accordance with section 16A.1285, subdivision 2. The license application must include
25.11 the name and address of the applicant and the legal description of the land area or areas
25.12 where industrial hemp will be grown by the applicant.

25.13 (b) When an applicant has paid the fee and completed the application process to the
25.14 satisfaction of the commissioner, the commissioner must issue a license which is valid
25.15 until December 31 of the year of application.

25.16 (c) A person licensed under this section is presumed to be growing industrial hemp
25.17 for commercial purposes.

25.18 Subd. 2. **Background check; data classification.** The commissioner must require
25.19 each first-time applicant for a license to submit to a background investigation conducted
25.20 by the Bureau of Criminal Apprehension as a condition of licensure. As part of the
25.21 background investigation, the Bureau of Criminal Apprehension must conduct criminal
25.22 history checks of Minnesota records and is authorized to exchange fingerprints with the
25.23 United States Department of Justice, Federal Bureau of Investigation for the purpose of a
25.24 criminal background check of the national files. The cost of the investigation must be paid
25.25 by the applicant. Criminal history records provided to the commissioner under this section
25.26 must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

25.27 Subd. 3. **Federal requirements.** The applicant must demonstrate to the satisfaction
25.28 of the commissioner that the applicant has complied with all applicable federal
25.29 requirements pertaining to the production, distribution, and sale of industrial hemp.

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

25.31 Sec. 37. **[18K.06] ANNUAL REPORT; SALES NOTIFICATION.**

25.32 (a) Annually, a licensee must file with the commissioner:

26.1 (1) documentation demonstrating to the commissioner's satisfaction that the seeds
26.2 planted by the licensee are of a type and variety that contain no more than three-tenths of
26.3 one percent delta-9 tetrahydrocannabinol; and

26.4 (2) a copy of any contract to grow industrial hemp.

26.5 (b) Within 30 days, a licensee must notify the commissioner of each sale or
26.6 distribution of industrial hemp grown by the licensee including, but not limited to, the
26.7 name and address of the person receiving the industrial hemp and the amount of industrial
26.8 hemp sold or distributed.

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

26.10 Sec. 38. **[18K.07] RULEMAKING.**

26.11 (a) The commissioner shall adopt rules governing the production, testing, and
26.12 licensing of industrial hemp.

26.13 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
26.14 governing:

26.15 (1) the supervision and inspection of industrial hemp during its growth and harvest;

26.16 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

26.17 (3) the use of background checks results required under section 18K.05 to approve
26.18 or deny a license application; and

26.19 (4) any other provision or procedure necessary to carry out the purposes of this
26.20 chapter.

26.21 (c) Rules issued under this section must be consistent with federal law regarding
26.22 the production, distribution, and sale of industrial hemp.

26.23 **EFFECTIVE DATE.** This section is effective the day after the federal government
26.24 authorizes the commercial production of industrial hemp in this country.

26.25 Sec. 39. **[18K.08] FEES.**

26.26 Fees collected under this chapter must be credited to the industrial hemp account,
26.27 which is hereby established in the agricultural fund in the state treasury. Interest earned
26.28 in the account accrues to the account. Funds in the industrial hemp account are annually
26.29 appropriated to the commissioner to implement and enforce this chapter.

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

26.31 Sec. 40. **[18K.09] DEFENSE FOR POSSESSION OF MARIJUANA.**

27.1 It is an affirmative defense to a prosecution for the possession of marijuana under
27.2 chapter 152 if:

27.3 (1) the defendant possesses industrial hemp grown pursuant to this chapter; or

27.4 (2) the defendant has a valid controlled substance registration from the United States
27.5 Department of Justice, Drug Enforcement Administration, if required under federal law.

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

27.7 Sec. 41. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
27.8 to read:

27.9 Subd. 1a. **Address.** "Address" means the complete primary mailing address of the
27.10 labeler or the person or firm selling seed. A complete address includes the street address,
27.11 post office box, or rural route, and city, state, and zip code or postal code.

27.12 Sec. 42. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
27.13 to read:

27.14 Subd. 27a. **Total viable.** "Total viable" means the sum of the germination
27.15 percentage, plus hard seeds, dormant seeds, or both.

27.16 Sec. 43. Minnesota Statutes 2014, section 21.82, subdivision 2, is amended to read:

27.17 Subd. 2. **Content.** For agricultural, vegetable, flower, or wildflower seeds offered
27.18 for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, the
27.19 label must contain:

27.20 (a) The name of the kind or kind and variety for each seed component in excess
27.21 of five percent of the whole and the percentage by weight of each in order of its
27.22 predominance. The commissioner shall by rule designate the kinds that are required to be
27.23 labeled as to variety. If the variety of those kinds generally labeled as to variety is not
27.24 stated and it is not required to be stated, the label shall show the name of the kind and the
27.25 words: "Variety not stated." The heading "pure seed" must be indicated on the seed label
27.26 in close association with other required label information.

27.27 (1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure
27.28 seed shown unless the percentage of pure seed which is hybrid seed is shown separately.
27.29 If two or more kinds or varieties are present in excess of five percent and are named on
27.30 the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or
27.31 kind and variety that has pure seed which is less than 95 percent but more than 75 percent
27.32 hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to
27.33 show the percentage of pure seed that is hybrid seed or a statement such as "contains from

28.1 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as
 28.2 hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be
 28.3 shown on the label in conjunction with the kind.

28.4 (2) Blends shall be listed on the label using the term "blend" in conjunction with
 28.5 the kind.

28.6 (3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

28.7 (b) Lot number or other lot identification.

28.8 (c) Origin, if known, or that the origin is unknown.

28.9 (d) Percentage by weight of all weed seeds present. This percentage may not exceed
 28.10 one percent. The heading "weed seed" must be indicated on the seed label in close
 28.11 association with other required label information.

28.12 (e) Name and rate of occurrence per pound of each kind of restricted noxious weed
 28.13 seeds present. They must be listed under the heading "noxious weed seeds" in close
 28.14 association with other required label information.

28.15 (f) Percentage by weight of seeds other than those kinds and varieties required
 28.16 to be named on the label. They must be listed under the heading "other crop" in close
 28.17 association with other required label information.

28.18 (g) Percentage by weight of inert matter. The heading "inert matter" must be
 28.19 indicated on the seed label in close association with other required label information.

28.20 (h) Net weight of contents, to appear on either the container or the label.

28.21 (i) For each named kind or variety of seed:

28.22 (1) percentage of germination, exclusive of hard or dormant seed or both;

28.23 (2) percentage of hard or dormant seed or both, if present; and

28.24 (3) the calendar month and year the percentages were determined by test or the
 28.25 statement "sell by (month and year)" which may not be more than 12 months from the
 28.26 date of test, exclusive of the month of test.

28.27 The headings for "germination" and "hard seed or dormant seed" percentages must be
 28.28 stated separately on the seed label. A separate percentage derived from combining these
 28.29 percentages may also be stated on the seed label, ~~but the heading for this percentage must~~
 28.30 ~~be "total germination and hard seed or dormant seed when applicable." They must not be~~
 28.31 ~~stated as "total live seed," "total germination," or in any other unauthorized manner. as~~
 28.32 "total viable."

28.33 (j) Name and address of the person who labeled the seed or who sells the seed within
 28.34 this state, or a code number which has been registered with the commissioner.

28.35 Sec. 44. Minnesota Statutes 2014, section 21.82, subdivision 4, is amended to read:

29.1 Subd. 4. **Hybrid seed corn.** For hybrid seed corn purposes a label must contain:

29.2 (1) a statement indicating the number of seeds in the container may be listed along
29.3 with or in lieu of the net weight of contents; and

29.4 (2) for each variety of hybrid seed field corn, the day classification as determined
29.5 by the originator or owner. The day classification must approximate the number of days
29.6 of growing season necessary from emergence of the corn plant above ground to relative
29.7 maturity and must ~~conform to the day classification established by the director of~~ be
29.8 within three days of maturity ratings determined in comparative trials by the Minnesota
29.9 agricultural experiment station for the appropriate zone.

29.10 Sec. 45. Minnesota Statutes 2014, section 21.85, subdivision 2, is amended to read:

29.11 Subd. 2. **Seed laboratory.** (a) The commissioner shall establish and maintain a seed
29.12 laboratory for seed testing, employing necessary agents and assistants to administer and
29.13 enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

29.14 (b) The laboratory procedures for testing official seed samples are the procedures
29.15 set forth in the Rules for Testing Seeds that is published annually by the Association of
29.16 Official Seed Analysts. If a laboratory procedure rule does not exist for a particular type
29.17 of seed, then laboratory procedures from other recognized seed testing sources may be
29.18 used, including procedures under the Code of Federal Regulations, title 7, part 201, or
29.19 the International Rules for Testing Seeds.

29.20 Sec. 46. Minnesota Statutes 2014, section 21.85, is amended by adding a subdivision
29.21 to read:

29.22 Subd. 15. **Prohibited and restricted seeds.** The commissioner shall determine
29.23 species that are considered prohibited weed seeds and restricted noxious weed seeds and
29.24 the allowable rate of occurrence of restricted noxious weed seeds.

29.25 Sec. 47. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

29.26 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit
29.27 to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold
29.28 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.
29.29 The categories of permits are as follows:

29.30 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each
29.31 calendar year, an annual permit issued for a fee established in section 21.891, subdivision
29.32 2, paragraph (b);

30.1 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for
30.2 use in home gardens or household plantings, and initial labelers who sell native grasses
30.3 and wildflower seed in commercial or agricultural quantities, an annual permit issued for
30.4 a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross
30.5 sales from the previous year; and

30.6 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed
30.7 each calendar year, a permanent permit issued for a fee established in section 21.891,
30.8 subdivision 2, paragraph (d).

30.9 In addition, the person shall furnish to the commissioner an itemized statement of all
30.10 seeds sold in Minnesota for the periods established by the commissioner. This statement
30.11 shall be delivered, along with the payment of the fee, based upon the amount and type
30.12 of seed sold, to the commissioner no later than 30 days after the end of each reporting
30.13 period. Any person holding a permit shall show as part of the analysis labels or invoices
30.14 on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the
30.15 commissioner requires. The commissioner may revoke any permit in the event of failure
30.16 to comply with applicable laws and rules.

30.17 Sec. 48. **[28A.152] COTTAGE FOODS EXEMPTION.**

30.18 Subdivision 1. Licensing provisions applicability. (a) The licensing provisions of
30.19 sections 28A.01 to 28A.16 do not apply to the following:

30.20 (1) an individual who prepares and sells food that is not potentially hazardous food,
30.21 as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements
30.22 are met:

30.23 (i) the prepared food offered for sale under this clause is labeled to accurately reflect
30.24 the name and address of the person preparing and selling the food, the date on which the
30.25 food was prepared, and the ingredients and any possible allergens; and

30.26 (ii) the individual displays at the point of sale a clearly legible sign or placard stating:
30.27 "These products are homemade and not subject to state inspection"; and

30.28 (2) an individual who prepares and sells home-processed and home-canned food
30.29 products if the following requirements are met:

30.30 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of
30.31 4.6 or lower;

30.32 (ii) the products are home-processed and home-canned in Minnesota;

30.33 (iii) the individual displays at the point of sale a clearly legible sign or placard
30.34 stating: "These canned goods are homemade and not subject to state inspection"; and

31.1 (iv) each container of the product sold or offered for sale under this clause is
31.2 accurately labeled to provide the name and address of the person who processed and
31.3 canned the goods, the date on which the goods were processed and canned, and ingredients
31.4 and any possible allergens.

31.5 (b) An individual who qualifies for an exemption under paragraph (a), clause (2), is
31.6 also exempt from the provisions of sections 31.31 and 31.392.

31.7 Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption
31.8 under subdivision 1 may sell the exempt food:

31.9 (1) directly to the ultimate consumer;

31.10 (2) at a community event or farmers' market; or

31.11 (3) directly from the individual's home to the consumer, to the extent allowed by
31.12 local ordinance.

31.13 (b) If an exempt food product will be delivered to the ultimate consumer upon sale
31.14 of the food product, the individual who prepared the food product must be the person who
31.15 delivers the food product to the ultimate consumer.

31.16 (c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be
31.17 sold outside of Minnesota.

31.18 (d) Food products exempt under subdivision 1 may be sold over the Internet but
31.19 must be delivered directly to the ultimate consumer by the individual who prepared the
31.20 food product. The statement "These products are homemade and not subject to state
31.21 inspection" must be displayed on the Web site that offers the exempt foods for purchase.

31.22 Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section
31.23 is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

31.24 Subd. 4. **Registration.** Before an individual sells food that is exempt under this
31.25 section, the individual must register with the commissioner on a form prescribed by the
31.26 commissioner. The individual must renew the individual's registration every three years.
31.27 The registration fee is \$50. An individual with \$5,000 or less in annual gross receipts from
31.28 the sale of exempt food under this section is not required to pay the registration fee.

31.29 Subd. 5. **Training.** An individual who prepares and sells exempt food under
31.30 subdivision 1 must complete a safe food handling training course that is approved by the
31.31 commissioner. The training shall not exceed eight hours and must be completed every
31.32 three years while the individual is registered under subdivision 4.

31.33 Subd. 6. **Local ordinances.** This section does not preempt the application of any
31.34 business licensing requirement or sanitation, public health, or zoning ordinance of a
31.35 political subdivision.

32.1 Subd. 7. **Account established.** A cottage foods account is created as a separate
32.2 account in the special revenue fund in the state treasury for depositing money received
32.3 by the commissioner under this section. Money in the account, including interest, is
32.4 appropriated to the commissioner for costs under this section.

32.5 Sec. 49. **[41A.13] DEFINITIONS.**

32.6 (a) For the purposes of sections 41A.13 to 41A.17, the terms defined in this section
32.7 have the meanings given them.

32.8 (b) "Advanced biofuels" has the meaning given in section 239.051, subdivision 1a.

32.9 (c) "Biomass thermal production" means the generation of energy for commercial
32.10 heat or industrial process heat from a cellulosic material or other material composed of
32.11 forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that
32.12 is displacing existing use of fossil fuel after the effective date of this section.

32.13 (d) "Cellulosic biomass" means material primarily made up of cellulose,
32.14 hemicellulose, or lignin, or a combination of those ingredients.

32.15 (e) "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural
32.16 or forestry resources.

32.17 (f) "Commissioner" means the commissioner of agriculture.

32.18 (g) "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are
32.19 known to be noninvasive and not listed as a noxious weed in Minnesota and that are either
32.20 interseeded into living cash crops or planted on agricultural fields during fallow periods
32.21 for seasonal cover and conservation purposes.

32.22 (h) "MMbtu" means one million British thermal units.

32.23 (i) "Perennial crops" means agriculturally produced plants that are known to be
32.24 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at
32.25 least three years at the location where the plants are being cultivated. Biomass from alfalfa
32.26 produced in a two-year rotation shall be considered a perennial crop.

32.27 (j) "Renewable chemical" means a chemical with biobased content as defined in
32.28 section 41A.105, subdivision 1a.

32.29 Sec. 50. **[41A.14] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

32.30 (a) A facility eligible for payment under this program must source at least 80 percent
32.31 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,
32.32 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
32.33 agricultural or forestry sources or from solid waste. The production facility must be
32.34 located in Minnesota, must begin production at a specific location by June 30, 2025, and

33.1 must not begin operation above 95,000 MMBtu of annual biofuel production before July 1,
33.2 2015. Eligible facilities include existing companies and facilities that are adding advanced
33.3 biofuel production capacity, or retrofitting existing capacity, as well as new companies
33.4 and facilities. Production of conventional corn ethanol and conventional biodiesel is not
33.5 eligible. Advanced biofuel facilities must produce at least 30,000 MMBtu a year to be
33.6 eligible for the program.

33.7 (b) The commissioner shall make payments to eligible producers of advanced
33.8 biofuel. For the purpose of this section, an entity that holds a controlling interest in more
33.9 than one advanced biofuel facility is considered a single eligible producer. The amount
33.10 of the payment for each eligible producer's annual production is \$2.1053 per MMBtu
33.11 for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for
33.12 advanced biofuel production from sugar or starch at a specific location for ten years after
33.13 the start of production. Cellulosic biofuel facilities utilizing crop residues, other than
33.14 cellulosic biofuel using corn kernel fiber, or biogas, shall derive at least ten percent of total
33.15 energy production from perennial crops or biomass from cover crops in the first year of
33.16 receiving production incentives, and in the third year, at least 30 percent of total energy
33.17 production shall be derived from perennial crops or biomass from cover crops, and in the
33.18 fifth year, at least 50 percent of total energy production shall be derived from perennial
33.19 crops or biomass from cover crops and maintain at least 50 percent for the remainder of
33.20 the production incentive payment period. All forestry-derived cellulosic biomass must
33.21 be produced using Minnesota state biomass harvesting guidelines or the equivalent.
33.22 All biomass from brushlands must be produced using Minnesota brushland harvesting
33.23 biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that
33.24 comes from land parcels greater than 160 acres must be certified by the Forest Stewardship
33.25 Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land
33.26 from parcels of 160 acres or less and federal land must be harvested by a logger who has
33.27 completed training for biomass harvesting from the Minnesota logger education program
33.28 or the equivalent and have a forest stewardship plan.

33.29 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
33.30 responsible biomass sourcing plan for approval by the commissioner prior to applying for
33.31 payments under this section. The commissioner shall make the plan publicly available.
33.32 The plan must:

33.33 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
33.34 produced and managed in a way that preserves soil quality, does not increase soil and
33.35 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
33.36 on wildlife habitat, and reduces greenhouse gas emissions;

34.1 (2) include the producer's approach to verifying that biomass suppliers are following
34.2 the plan;

34.3 (3) discuss how new technologies and practices that are not yet commercially viable
34.4 may be encouraged and adopted during the life of the facility, and how the producer will
34.5 encourage continuous improvement during the life of the project;

34.6 (4) include specific numeric goals and timelines for making progress;

34.7 (5) require agronomic practices that result in a positive NRCS Soil Conditioning
34.8 Index score for acres from which biomass from corn stover will be harvested; and

34.9 (6) include biennial soil sampling to verify maintained or increased levels of soil
34.10 organic matter.

34.11 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
34.12 payments under this section shall submit an annual report on the producer's responsible
34.13 biomass sourcing plan to the commissioner by January 15 each year. The report must
34.14 include data on progress made by the producer in meeting specific goals laid out in the
34.15 plan. The commissioner shall make the report publicly available. The commissioner
34.16 shall perform an annual review of submitted reports and make a determination whether
34.17 the producer is following the plan and meeting the criteria in paragraph (c) based on the
34.18 reports submitted. The commissioner may take appropriate steps, including reducing or
34.19 ceasing payments until the producer is in compliance with the plan.

34.20 (e) No payments shall be made for advanced biofuel production that occurs after
34.21 June 30, 2035, for those eligible biofuel producers under paragraph (b). An eligible
34.22 producer of advanced biofuel shall not transfer the producer's eligibility for payments
34.23 under this section to an advanced biofuel facility at a different location.

34.24 (f) Total payments under this section to an eligible biofuel producer in a fiscal year
34.25 may not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total
34.26 payments under this section to all eligible biofuel producers in a fiscal year may not
34.27 exceed the amount necessary for 17,100,000 MMbtu of biofuel production.

34.28 (g) By the last day of October, January, April, and July, each eligible biofuel producer
34.29 shall file a claim for payment for advanced biofuel production during the preceding three
34.30 calendar months. An eligible biofuel producer that files a claim under this paragraph shall
34.31 include a statement of the eligible biofuel producer's total advanced biofuel production
34.32 in Minnesota during the quarter covered by the claim. For each claim and statement of
34.33 total advanced biofuel production filed under this paragraph, the volume of advanced
34.34 biofuel production must be examined by an independent certified public accountant firm
34.35 licensed under chapter 326A, in accordance with Statements on Standards for Attestation
34.36 Engagements established by the American Institute of Certified Public Accountants.

35.1 (h) Payments must be made November 15, February 15, May 15, and August 15.

35.2 A separate payment must be made for each claim filed.

35.3 (i) Any producer that ceases production for any reason is ineligible to receive
35.4 payments under the program until they begin producing again.

35.5 (j) Renewable chemical production for which payment has been received under
35.6 section 41A.15, and biomass thermal production for which payment has been received
35.7 under section 41A.16, is not eligible for payment under this section.

35.8 **Sec. 51. [41A.15] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

35.9 (a) A facility eligible for payment under this program must source at least 80
35.10 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1),
35.11 from Minnesota. If a facility is sited 50 miles or less from the state border, biobased
35.12 content may be sourced from within a 100-mile radius. Biobased content must be from
35.13 agricultural or forestry sources or from solid waste. The production facility must be
35.14 located in Minnesota, must begin production at a specific location by June 30, 2025, and
35.15 must not begin production of 3,000,000 pounds of chemicals annually before January
35.16 1, 2015. Eligible facilities include existing companies and facilities that are adding
35.17 production capacity, or retrofitting existing capacity, as well as new companies and
35.18 facilities. Renewable chemical facilities must produce at least 3,000,000 pounds per year
35.19 to be eligible for the program. Renewable chemicals produced through processes that are
35.20 fully commercial before January 1, 2000, are not eligible.

35.21 (b) The commissioner shall make payments to eligible producers of renewable
35.22 chemicals located in the state. For the purpose of this subdivision, an entity that holds a
35.23 controlling interest in more than one renewable chemical production facility is considered
35.24 a single eligible producer. The amount of the payment for each producer's annual
35.25 production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of
35.26 cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at
35.27 a specific location for ten years after the start of production. All forestry-derived cellulosic
35.28 biomass must be produced using Minnesota state biomass harvesting guidelines or the
35.29 equivalent. All cellulosic biomass from brushlands must be produced using Minnesota
35.30 brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived
35.31 cellulosic biomass that comes from land parcels greater than 160 acres must be certified
35.32 by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree
35.33 Farm System. Uncertified land from parcels of 160 acres or less and federal land must
35.34 be harvested by a logger who has completed training for biomass harvesting from the
35.35 Minnesota logger education program or the equivalent and have a forest stewardship plan.

36.1 An eligible facility producing renewable chemicals using agricultural cellulosic biomass
36.2 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
36.3 biomass that is derived from perennial crops or from acres where cover crops are used.

36.4 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
36.5 responsible biomass sourcing plan to the commissioner prior to applying for payments
36.6 under this section. The plan must:

36.7 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
36.8 produced and managed in a way that preserves soil quality, does not increase soil and
36.9 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
36.10 on wildlife habitat, and reduces greenhouse gas emissions;

36.11 (2) include the producer's approach to verifying that biomass suppliers are following
36.12 the plan;

36.13 (3) discuss how new technologies and practices that are not yet commercially viable
36.14 may be encouraged and adopted during the life of the facility, and how the producer will
36.15 encourage continuous improvement during the life of the project; and

36.16 (4) include specific numeric goals and timelines for making progress.

36.17 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
36.18 payments under this section shall submit an annual report on the producer's responsible
36.19 biomass sourcing plan to the commissioner by January 15 each year. The report must
36.20 include data on progress made by the producer in meeting specific goals laid out in the
36.21 plan. The commissioner shall make the report publicly available. The commissioner
36.22 shall perform an annual review of submitted reports and is authorized to make a
36.23 determination that the producer is not following the plan based on the reports submitted.
36.24 The commissioner may take appropriate steps, including reducing or ceasing payments
36.25 until the producer is in compliance with the plan.

36.26 (e) No payments shall be made for renewable chemical production that occurs after
36.27 June 30, 2035, for those eligible renewable chemical producers under paragraph (b). An
36.28 eligible producer of renewable chemicals shall not transfer the producer's eligibility for
36.29 payments under this section to a renewable chemical facility at a different location.

36.30 (f) Total payments under this section to an eligible renewable chemical producer in
36.31 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
36.32 chemical production. Total payments under this section to all eligible renewable chemical
36.33 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
36.34 renewable chemical production.

36.35 (g) By the last day of October, January, April, and July, each eligible renewable
36.36 chemical producer shall file a claim for payment for renewable chemical production

37.1 during the preceding three calendar months. An eligible renewable chemical producer
37.2 that files a claim under this paragraph shall include a statement of the eligible producer's
37.3 total renewable chemical production in Minnesota during the quarter covered by the
37.4 claim. For each claim and statement of total renewable chemical production filed under
37.5 this paragraph, the volume of renewable chemical production must be examined by an
37.6 independent certified public accountant firm licensed under chapter 326A, in accordance
37.7 with Statements on Standards for Attestation Engagements established by the American
37.8 Institute of Certified Public Accountants.

37.9 (h) Payments must be made November 15, February 15, May 15, and August 15.
37.10 A separate payment must be made for each claim filed.

37.11 (i) Any producer that ceases production for any reason is ineligible to receive
37.12 payments under the program until they begin producing again.

37.13 (j) Advanced biofuel production for which payment has been received under section
37.14 41A.14, and biomass thermal production for which payment has been received under
37.15 section 41A.16, is not eligible for payment under this section.

37.16 **Sec. 52. [41A.16] BIOMASS THERMAL PRODUCTION INCENTIVE.**

37.17 (a) A facility eligible for payment under this program must source at least 80 percent
37.18 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,
37.19 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
37.20 agricultural or forestry sources. The production facility must be located in Minnesota and
37.21 must not begin before July 1, 2015. Eligible facilities include existing companies and
37.22 facilities that are adding production capacity, or retrofitting existing capacity, as well as
37.23 new companies and facilities. Biomass thermal production facilities must produce at least
37.24 1,000 MMbtu per year to be eligible for the program.

37.25 (b) The commissioner shall make payments to eligible producers of biomass thermal
37.26 located in the state that have begun production at a specific location by June 30, 2025.
37.27 For the purpose of this subdivision, an entity that holds a controlling interest in more than
37.28 one biomass thermal production facility is considered a single eligible producer. The
37.29 amount of the payment for each producer's annual production is \$5.00 per MMbtu of
37.30 biomass thermal production produced at a specific location for ten years after the start of
37.31 production. All forestry-derived cellulosic biomass must be produced using Minnesota
37.32 state biomass harvesting guidelines or the equivalent. All biomass from brushland must
37.33 be produced using Minnesota brushland harvesting biomass guidelines or the equivalent.
37.34 Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres
37.35 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or

38.1 American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal
38.2 land must be harvested by a logger who has completed training for biomass harvesting from
38.3 the Minnesota logger education program or the equivalent and have a forest stewardship
38.4 plan. An eligible facility producing biomass thermal using agricultural cellulosic biomass
38.5 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
38.6 biomass that is derived from perennial crops or from acres where cover crops are used.

38.7 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
38.8 responsible biomass sourcing plan to the commissioner prior to applying for payments
38.9 under this section. The plan must:

38.10 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
38.11 produced and managed in a way that preserves soil quality, does not increase soil and
38.12 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
38.13 on wildlife habitat, and reduces greenhouse gas emissions;

38.14 (2) include the producer's approach to verifying that biomass suppliers are following
38.15 the plan;

38.16 (3) discuss how new technologies and practices that are not yet commercially viable
38.17 may be encouraged and adopted during the life of the facility, and how the producer will
38.18 encourage continuous improvement during the life of the project; and

38.19 (4) include specific numeric goals and timelines for making progress.

38.20 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
38.21 payments under this section shall submit an annual report on the producer's responsible
38.22 biomass sourcing plan to the commissioner by January 15 each year. The report must
38.23 include data on progress made by the producer in meeting specific goals laid out in the
38.24 plan. The commissioner shall make the report publicly available. The commissioner
38.25 shall perform an annual review of submitted reports and is authorized to make a
38.26 determination that the producer is not following the plan based on the reports submitted.
38.27 The commissioner may take appropriate steps, including reducing or ceasing payments
38.28 until the producer is in compliance with the plan.

38.29 (e) No payments shall be made for biomass thermal production that occurs after June
38.30 30, 2035, for those eligible biomass thermal producers under paragraph (b). A producer of
38.31 biomass thermal production shall not transfer the producer's eligibility for payments under
38.32 this section to a biomass thermal production facility at a different location.

38.33 (f) Total payments under this section to an eligible thermal producer in a fiscal year
38.34 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
38.35 payments under this section to all eligible thermal producers in a fiscal year may not
38.36 exceed the amount necessary for 150,000 MMbtu of total thermal production.

39.1 (g) An eligible facility may blend a cellulosic feedstock with other fuels in the
39.2 biomass thermal production facility, but only the percentage attributable to cellulosic
39.3 material listed is eligible to receive the producer payment.

39.4 (h) By the last day of October, January, April, and July, each producer shall file a
39.5 claim for payment for biomass thermal production during the preceding three calendar
39.6 months. A producer that files a claim under this paragraph shall include a statement of
39.7 the producer's total biomass thermal production in Minnesota during the quarter covered
39.8 by the claim. For each claim and statement of total biomass thermal production filed
39.9 under this paragraph, the volume of biomass thermal production must be examined by an
39.10 independent certified public accountant firm licensed under chapter 326A, in accordance
39.11 with Statements on Standards for Attestation Engagements established by the American
39.12 Institute of Certified Public Accountants.

39.13 (i) Payments shall be made November 15, February 15, May 15, and August 15. A
39.14 separate payment shall be made for each claim filed.

39.15 (j) Biofuel production for which payment has been received under section 41A.14,
39.16 and renewable chemical production for which payment has been received under section
39.17 41A.15, is not eligible for payment under this section.

39.18 **Sec. 53. [41A.17] REPORT; INCENTIVE PROGRAMS.**

39.19 By January 15 each year, the commissioner shall report on the incentive programs
39.20 under sections 41A.14, 41A.15, and 41A.16 to the legislative policy and finance
39.21 committees with primary jurisdiction over environment and agriculture. The report shall
39.22 include information on production and expenditures for incentives under the programs.

39.23 **Sec. 54. [41A.18] AGRICULTURE RESEARCH, EDUCATION, EXTENSION,**
39.24 **AND TECHNOLOGY TRANSFER GRANT PROGRAM.**

39.25 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
39.26 technology transfer grant program is created. The purpose of the grant program is to
39.27 provide investments that will most efficiently achieve long-term agricultural sustainability
39.28 and productivity increases through improved infrastructure, vision, and accountability.
39.29 The scope and intent of the grants, to the extent possible, shall provide for a long-term
39.30 base funding that allows the research grantee to continue the functions of the research,
39.31 education, and extension efforts to a practical conclusion. Priority for grants shall be
39.32 given to human infrastructure. To be eligible for grants under this section, the dean of the
39.33 College of Food, Agricultural and Natural Resource Sciences, in consultation with the
39.34 dean of the College of Veterinarian Medicine, and the dean of the University of Minnesota

40.1 Extension Service must consult with stakeholders representing general farm, forestry, and
40.2 agricultural producer organizations. The commissioner shall provide grants for:

40.3 (1) agricultural research and technology transfer needs and recipients including, but
40.4 not limited to, agricultural research and extension at the University of Minnesota, research
40.5 and outreach centers, the College of Food, Agricultural and Natural Resource Sciences,
40.6 the Minnesota Agricultural Experiment Station, University of Minnesota Extension
40.7 Service, the University of Minnesota Veterinary School, the Veterinary Diagnostic
40.8 Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer
40.9 Research and Education Council;

40.10 (2) agriculture rapid response for plant and animal diseases and pests; and

40.11 (3) agricultural education including, but not limited to, the Minnesota Agriculture
40.12 Education Leadership Council, farm business management, mentoring programs, graduate
40.13 debt forgiveness, and high school programs.

40.14 Subd. 2. **Fund.** An agriculture research, education, extension, and technology
40.15 transfer fund is created in the state treasury. The fund consists of money received in the form
40.16 of gifts, grants, reimbursement, or appropriations from any source for any of the purposes
40.17 provided in subdivision 1, and any interest or earnings of the fund. Money in the fund is
40.18 appropriated to the commissioner of agriculture for the purposes under subdivision 1.

40.19 Sec. 55. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

40.20 Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable
40.21 application fee for each application submitted for a beginning farmer loan or a
40.22 seller-sponsored loan. The application fee is initially \$50. The authority may review the
40.23 fee annually and make adjustments as necessary. The fee must be deposited in the state
40.24 treasury and credited to ~~an account in the special revenue fund. Money in the account is~~
40.25 ~~appropriated to the commissioner for administrative expenses of the beginning farmer~~
40.26 ~~and seller-sponsored loan programs~~ the Rural Finance Authority administrative account
40.27 established in subdivision 7.

40.28 Sec. 56. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision
40.29 to read:

40.30 Subd. 7. **Rural Finance Authority administrative account.** There is established
40.31 in the special revenue fund a Rural Finance Authority administrative account. Money in
40.32 the account, including interest, is appropriated to the commissioner for the administrative
40.33 expenses of the loan programs administered by the Rural Finance Authority.

41.1 Sec. 57. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

41.2 Subd. 17. **Application and origination fee.** The authority may impose a reasonable
41.3 nonrefundable application fee for each application and an origination fee for each loan
41.4 issued under the loan restructuring program. The origination fee is 1.5 percent of the
41.5 authority's participation interest in the loan and the application fee is \$50. The authority
41.6 may review the fees annually and make adjustments as necessary. The fees must be
41.7 deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
41.8 ~~Money in the account is appropriated to the commissioner for administrative expenses~~
41.9 ~~of the loan restructuring program~~ the Rural Finance Authority administrative account
41.10 established in section 41B.03.

41.11 Sec. 58. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

41.12 Subd. 3. **Application and origination fee.** The authority may impose a reasonable
41.13 nonrefundable application fee for each application submitted for a participation issued
41.14 under the agricultural improvement loan program. The application fee is initially \$50. The
41.15 authority may review the fees annually and make adjustments as necessary. The fees must
41.16 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
41.17 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
41.18 ~~the agricultural improvement loan program~~ the Rural Finance Authority administrative
41.19 account established in section 41B.03.

41.20 Sec. 59. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

41.21 Subd. 3. **Specifications.** ~~No loan may be made to refinance an existing debt.~~ Each
41.22 loan participation must be secured by a mortgage on real property and such other security
41.23 as the authority may require.

41.24 Sec. 60. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

41.25 Subd. 4. **Application and origination fee.** The authority may impose a reasonable
41.26 nonrefundable application fee for each application for a loan participation and an
41.27 origination fee for each loan issued under the livestock expansion loan program. The
41.28 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The
41.29 authority may review the fees annually and make adjustments as necessary. The fees must
41.30 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
41.31 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
41.32 ~~the livestock expansion loan program~~ the Rural Finance Authority administrative account
41.33 established in section 41B.03.

42.1 Sec. 61. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

42.2 Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible
42.3 lender to a farmer who is eligible under subdivision 4. Participation is limited to 45
42.4 percent of the principal amount of the loan or \$40,000, whichever is less. The interest
42.5 rates and repayment terms of the authority's participation interest may differ from the
42.6 interest rates and repayment terms of the lender's retained portion of the loan, but the
42.7 authority's interest rate must not exceed 50 percent of the lender's interest rate.

42.8 (b) No more than 95 percent of the purchase price of the stock may be financed
42.9 under this program.

42.10 (c) Security for stock loans must be the stock purchased, a personal note executed by
42.11 the borrower, and whatever other security is required by the eligible lender or the authority.

42.12 (d) The authority may impose a reasonable nonrefundable application fee for each
42.13 application for a stock loan. The authority may review the fee annually and make
42.14 adjustments as necessary. The application fee is initially \$50. Application fees received
42.15 by the authority must be deposited in the ~~revolving loan account established in section~~
42.16 41B.06 Rural Finance Authority administrative account established in section 41B.03.

42.17 (e) Stock loans under this program will be made using money in the revolving
42.18 loan account established in section 41B.06.

42.19 (f) The authority may not grant stock loans in a cumulative amount exceeding
42.20 \$2,000,000 for the financing of stock purchases in any one cooperative.

42.21 (g) Repayments of financial assistance under this section, including principal and
42.22 interest, must be deposited into the revolving loan account established in section 41B.06.

42.23 Sec. 62. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

42.24 Subdivision 1. **Establishment.** The authority shall establish and implement a
42.25 disaster recovery loan program to help farmers:

42.26 (1) clean up, repair, or replace farm structures and septic and water systems, as well
42.27 as replace seed, other crop inputs, feed, and livestock, when damaged by high winds,
42.28 hail, tornado, or flood; ~~or~~

42.29 (2) purchase watering systems, irrigation systems, and other drought mitigation
42.30 systems and practices when drought is the cause of the purchase; or

42.31 (3) restore farmland.

42.32 Sec. 63. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

42.33 Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with
42.34 an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited

43.1 to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The
 43.2 interest rates and repayment terms of the authority's participation interest may differ from
 43.3 the interest rates and repayment terms of the lender's retained portion of the loan, but the
 43.4 authority's interest rate must not exceed four percent.

43.5 (b) Standards for loan amortization shall be set by the Rural Finance Authority
 43.6 not to exceed ten years.

43.7 (c) Security for the disaster recovery loans must be a personal note executed by the
 43.8 borrower and whatever other security is required by the eligible lender or the authority.

43.9 (d) The authority may impose a reasonable nonrefundable application fee for a
 43.10 disaster recovery loan. The authority may review the fee annually and make adjustments
 43.11 as necessary. The application fee is initially \$50. Application fees received by the
 43.12 authority must be deposited in the revolving loan account established under section
 43.13 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

43.14 (e) Disaster recovery loans under this program will be made using money in the
 43.15 revolving loan account established under section 41B.06.

43.16 (f) Repayments of financial assistance under this section, including principal and
 43.17 interest, must be deposited into the revolving loan account established under section
 43.18 41B.06.

43.19 Sec. 64. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

43.20 Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to
 43.21 farmers and agricultural landowners who are eligible under subdivision 5. The total
 43.22 accumulative loan principal must not exceed \$75,000 per loan.

43.23 (b) The fiscal agent may impose a loan origination fee in the amount of one percent
 43.24 of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at
 43.25 the time of loan closing.

43.26 (c) The loan may be disbursed over a period not to exceed 12 years.

43.27 (d) A borrower may receive loans, depending on the availability of funds, for planted
 43.28 areas up to 160 acres for up to:

43.29 (1) the total amount necessary for establishment of the crop;

43.30 (2) the total amount of maintenance costs, including weed control, during the first
 43.31 three years; and

43.32 (3) 70 percent of the estimated value of one year's growth of the crop for years
 43.33 four through 12.

44.1 (e) Security for the loan must be the crop, a personal note executed by the borrower, an
44.2 interest in the land upon which the crop is growing, and whatever other security is required
44.3 by the fiscal agent or the authority. All recording fees must be paid by the borrower.

44.4 (f) The authority may prescribe forms and establish an application process for
44.5 applicants to apply for a loan.

44.6 (g) The authority may impose a reasonable, nonrefundable application fee for each
44.7 application for a loan under this program. The application fee is initially \$50. Application
44.8 fees received by the authority must be deposited in the ~~revolving loan account established~~
44.9 ~~under section 41B.06~~ Rural Finance Authority administrative account established in
44.10 section 41B.03.

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

44.13 (i) All repayments of financial assistance granted under this section, including
44.14 principal and interest, must be deposited into the revolving loan account established
44.15 under section 41B.06.

44.16 (j) The interest payable on loans made by the authority for the agroforestry loan
44.17 program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the
44.18 revenue bonds, and may be established at a higher rate necessary to pay costs associated
44.19 with the issuance of the revenue bonds and a proportionate share of the cost of administering
44.20 the program. The interest payable on loans for the agroforestry loan program funded from
44.21 sources other than revenue bond proceeds must be at a rate determined by the authority.

44.22 (k) Loan principal balance outstanding plus all assessed interest must be repaid
44.23 within 120 days of harvest, but no later than 15 years from planting.

44.24 Sec. 65. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

44.25 Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan
44.26 with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms
44.27 of the authority's participation interest may differ from repayment terms of the lender's
44.28 retained portion of the loan. Loans made under this section must be no-interest loans.

44.29 (b) Application for a direct loan or a loan participation must be made on forms
44.30 prescribed by the authority.

44.31 (c) Standards for loan amortization shall be set by the Rural Finance Authority
44.32 not to exceed ten years.

44.33 (d) Security for the loans must be a personal note executed by the borrower and
44.34 whatever other security is required by the eligible lender or the authority.

44.35 (e) No loan proceeds may be used to refinance a debt existing prior to application.

45.1 (f) The authority may impose a reasonable nonrefundable application fee for
45.2 each application for a direct loan or a loan participation. The authority may review the
45.3 application fees annually and make adjustments as necessary. The application fee is
45.4 initially set at \$100 for a loan under subdivision 1. The fees received by the authority must
45.5 be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance
45.6 Authority administrative account established in section 41B.03.

45.7 Sec. 66. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

45.8 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan
45.9 equal to 90 percent of the purchased equipment value with an eligible lender to a farmer
45.10 who is eligible under subdivision 2. Participation is limited to 45 percent of the principal
45.11 amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms
45.12 of the authority's participation interest may differ from the interest rates and repayment
45.13 terms of the lender's retained portion of the loan, but the authority's interest rate must
45.14 not exceed three percent. The authority may review the interest annually and make
45.15 adjustments as necessary.

45.16 (b) Standards for loan amortization must be set by the Rural Finance Authority
45.17 and must not exceed ten years.

45.18 (c) Security for a livestock equipment loan must be a personal note executed by the
45.19 borrower and whatever other security is required by the eligible lender or the authority.

45.20 (d) Refinancing of existing debt is not an eligible purpose.

45.21 (e) The authority may impose a reasonable, nonrefundable application fee for
45.22 a livestock equipment loan. The authority may review the fee annually and make
45.23 adjustments as necessary. The initial application fee is \$50. Application fees received
45.24 by the authority must be deposited in the ~~revolving loan account established in section~~
45.25 41B.06 Rural Finance Authority administrative account established in section 41B.03.

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

45.28 Sec. 67. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

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

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

46.1 (c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials,
46.2 and other horticultural products, that are intensively cultivated.

46.3 (d) "Eligible livestock" means ~~poultry that has been allowed access to the outside;~~
46.4 ~~sheep, or goats~~ beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae,
46.5 ratitae, bison, sheep, horses, and llamas.

46.6 Sec. 68. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

46.7 Subdivision 1. Establishment. The commissioner of agriculture shall establish a
46.8 farm opportunity loan program to provide loans that enable farmers to:

46.9 (1) add value to crops or livestock produced in Minnesota;

46.10 (2) adopt best management practices that emphasize sufficiency and self-sufficiency;

46.11 (3) reduce or improve management of agricultural inputs resulting in environmental
46.12 improvements; or

46.13 (4) increase production of on-farm energy.

46.14 Subd. 2. Loan criteria. (a) The farm opportunity loan program shall provide loans
46.15 for purchase of new or used equipment and installation of equipment for projects that
46.16 make environmental improvements and enhance farm profitability. The loan program
46.17 shall also be used to add value to crops or livestock produced in Minnesota by, but not
46.18 limited to, initiating or expanding livestock product processing; purchasing equipment to
46.19 initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers'
46.20 processing and aggregating capacity facilitating entry into farm-to-institution and other
46.21 markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or
46.22 other operating expenses.

46.23 (b) The authority may impose a reasonable, nonrefundable application fee for a farm
46.24 opportunity loan. The authority may review the fee annually and make adjustments as
46.25 necessary. The initial application fee is \$50. Application fees received by the authority
46.26 must be deposited in the Rural Finance Authority administrative account established
46.27 in section 41B.03.

46.28 (c) Loans may only be made to Minnesota residents engaged in farming. Standards
46.29 for loan amortization must be set by the Rural Finance Authority and must not exceed
46.30 ten years.

46.31 (d) The borrower must show the ability to repay the loan.

46.32 (e) Refinancing of existing debt is not an eligible expense.

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

47.1 Subd. 3. **Loan participation.** The authority may participate in a farm opportunity
 47.2 loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a
 47.3 group of farmers on joint projects who are eligible under subdivision 2, paragraph (c),
 47.4 and who are actively engaged in farming. Participation is limited to 45 percent of the
 47.5 principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a
 47.6 group made up of four or more individuals, participation is limited to 45 percent of the
 47.7 principal amount of the loan or \$180,000, whichever is less. The interest rate on the
 47.8 loans must not exceed six percent.

47.9 Sec. 69. Minnesota Statutes 2014, section 41B.06, is amended to read:

47.10 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

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

47.20 Sec. 70. Minnesota Statutes 2014, section 375.30, subdivision 2, is amended to read:

47.21 Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend
 47.22 money as necessary to spray and otherwise eradicate wild hemp, ~~commonly known as~~
 47.23 ~~marijuana,~~ on private property within the county. The county board may authorize the
 47.24 use of county equipment, personnel and supplies and materials to spray or otherwise
 47.25 eradicate wild hemp on private property, and may pro rate the expenses involved between
 47.26 the county and owner or occupant of the property. Industrial hemp grown by a person
 47.27 licensed under chapter 18K is not wild hemp.

47.28 Sec. 71. **CORRECTIONAL FACILITY BUTCHER TRAINING PILOT**
 47.29 **PROGRAM.**

47.30 Subdivision 1. **Pilot program.** The commissioner of agriculture must coordinate a
 47.31 pilot program operated by the Northeast Regional Corrections Center to train inmates for
 47.32 careers as butchers upon release. The commissioner must facilitate program development

48.1 and ensure that the program prepares inmates to meet applicable food safety and licensure
48.2 requirements.

48.3 Subd. 2. **Program development.** In facilitating development of the pilot program,
48.4 the commissioner must consult with the commissioner of employment and economic
48.5 development and a representative of each of the following organizations:

48.6 (1) Northeast Regional Corrections Center; and

48.7 (2) United Food and Commercial Workers.

48.8 Subd. 3. **Report required.** No later than February 1, 2017, the commissioner must
48.9 report on the progress and outcomes of the program to the legislative committees with
48.10 jurisdiction over agriculture, higher education, and public safety.

48.11 Subd. 4. **Expiration.** This section expires July 1, 2017.

48.12 Sec. 72. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

48.13 The balances in the accounts created under Minnesota Statutes, sections 41B.03,
48.14 subdivision 6; 41B.04, subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision
48.15 4, are transferred to the Rural Finance Authority administrative account established under
48.16 Minnesota Statutes, section 41B.03, subdivision 7, and the original accounts are abolished.

48.17 The balance in the account created under Minnesota Statutes, section 17.115,
48.18 is transferred to the Rural Finance Authority revolving loan account established under
48.19 Minnesota Statutes, section 41B.06, and the original account is abolished.

48.20 Sec. 73. **LIVESTOCK INDUSTRY STUDY.**

48.21 The commissioner of agriculture must identify causes of the relative growth or
48.22 decline of poultry and livestock production in Minnesota, Iowa, North Dakota, South
48.23 Dakota, Wisconsin, and Nebraska over the last ten years. The commissioner shall include
48.24 the most recent ten years of data on the number of livestock farms for each of the states
48.25 that are compared. No later than February 1, 2016, the commissioner must report findings
48.26 by poultry and livestock sector and provide recommendations on how to strengthen and
48.27 expand Minnesota animal agriculture to the legislative committees with jurisdiction over
48.28 agriculture policy and finance.

48.29 Sec. 74. **REPEALER.**

48.30 Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and
48.31 41A.12, subdivision 4, are repealed.

49.1 **ARTICLE 3**

49.2 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

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

49.4 The sums shown in the columns marked "Appropriations" are appropriated to the
 49.5 agencies and for the purposes specified in this article. The appropriations are from the
 49.6 general fund, or another named fund, and are available for the fiscal years indicated
 49.7 for each purpose. The figures "2016" and "2017" used in this article mean that the
 49.8 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 49.9 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 49.10 year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal
 49.11 year ending June 30, 2015, are effective the day following final enactment.

49.12 **APPROPRIATIONS**
 49.13 **Available for the Year**
 49.14 **Ending June 30**
 49.15 **2016 2017**

49.16 Sec. 2. **POLLUTION CONTROL AGENCY**

49.17 **Subdivision 1. Total Appropriation** \$ **94,682,000** \$ **91,884,000**

49.18 **Appropriations by Fund**

	<u>2016</u>	<u>2017</u>
49.19 <u>General</u>	<u>5,495,000</u>	<u>5,477,000</u>
49.20 <u>State Government</u>		
49.21 <u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
49.22 <u>Environmental</u>	<u>74,130,000</u>	<u>74,548,000</u>
49.23 <u>Remediation</u>	<u>14,982,000</u>	<u>11,784,000</u>

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

49.28 **Subd. 2. Water** **26,438,000** **26,231,000**

49.29 **Appropriations by Fund**

	<u>2016</u>	<u>2017</u>
49.30 <u>General</u>	<u>4,207,000</u>	<u>3,777,000</u>
49.31 <u>State Government</u>		
49.32 <u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
49.33 <u>Environmental</u>	<u>22,156,000</u>	<u>22,379,000</u>

49.35 \$1,959,000 the first year and \$1,959,000
 49.36 the second year are for grants to delegated

50.1 counties to administer the county feedlot
50.2 program under Minnesota Statutes, section
50.3 116.0711, subdivisions 2 and 3. Money
50.4 remaining after the first year is available for
50.5 the second year.

50.6 \$753,000 the first year and \$765,000 the
50.7 second year are from the environmental
50.8 fund to address the need for continued
50.9 increased activity in the areas of new
50.10 technology review, technical assistance
50.11 for local governments, and enforcement
50.12 under Minnesota Statutes, sections 115.55
50.13 to 115.58, and to complete the requirements
50.14 of Laws 2003, chapter 128, article 1, section
50.15 165.

50.16 \$400,000 the first year and \$400,000
50.17 the second year are for the clean water
50.18 partnership program. Any unexpended
50.19 balance in the first year does not cancel but
50.20 is available in the second year. Priority shall
50.21 be given to projects preventing impairments
50.22 and degradation of lakes, rivers, streams,
50.23 and groundwater according to Minnesota
50.24 Statutes, section 114D.20, subdivision 2,
50.25 clause (4).

50.26 \$673,000 the first year and \$683,000 the
50.27 second year are from the environmental
50.28 fund for subsurface sewage treatment
50.29 system (SSTS) program administration
50.30 and community technical assistance and
50.31 education, including grants and technical
50.32 assistance to communities for water quality
50.33 protection. Of this amount, \$129,000 each
50.34 year is for assistance to counties through
50.35 grants for SSTS program administration.

51.1 A county receiving a grant from this
51.2 appropriation shall submit the results
51.3 achieved with the grant to the commissioner
51.4 as part of its annual SSTS report. Any
51.5 unexpended balance in the first year does not
51.6 cancel but is available in the second year.

51.7 \$107,000 the first year and \$109,000 the
51.8 second year are from the environmental fund
51.9 for registration of wastewater laboratories.

51.10 \$150,000 the first year from the
51.11 environmental fund is for wild rice water
51.12 quality rulemaking and implementation
51.13 provided for in this act. This is a onetime
51.14 appropriation.

51.15 \$200,000 the first year is for a grant to
51.16 the Red River Basin Commission for
51.17 development of a water quality strategic plan
51.18 for the Red River of the North, in cooperation
51.19 with the Red River Board of the International
51.20 Joint Commission. The appropriation
51.21 must be matched by equal amounts from
51.22 both North Dakota and Manitoba and a
51.23 proportionate amount from South Dakota.

51.24 This is a onetime appropriation and does
51.25 not cancel. The plan must include, but is
51.26 not limited to, consistency in water quality
51.27 goals and objectives for the Red River of the
51.28 North and pollution reduction allocations for
51.29 both point and nonpoint sources on the Red
51.30 River of the North and for individual major
51.31 watersheds tributary to the Red River of the
51.32 North. The Red River Basin Commission
51.33 must involve the interests of local, state, and
51.34 federal government, business and industry,
51.35 environmental groups, and Red River

52.1 basin landowners. The Red River Basin
 52.2 Commission must report progress on the plan
 52.3 to the house of representatives and senate
 52.4 committees and divisions with jurisdiction
 52.5 over environment policy and finance by
 52.6 February 15 in 2016 and 2017 and must
 52.7 submit the completed plan by December 31,
 52.8 2017.

52.9 Notwithstanding Minnesota Statutes, section
 52.10 16A.28, the appropriations encumbered on or
 52.11 before June 30, 2017, as grants or contracts
 52.12 for SSTS's, surface water and groundwater
 52.13 assessments, total maximum daily loads,
 52.14 storm water, and water quality protection in
 52.15 this subdivision are available until June 30,
 52.16 2020.

52.17 Subd. 3. Air 15,640,000 16,087,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>15,640,000</u>	<u>16,087,000</u>

52.21 \$202,000 the first year and \$204,000 the
 52.22 second year are from the environmental fund
 52.23 for a monitoring program under Minnesota
 52.24 Statutes, section 116.454.

52.25 Up to \$150,000 the first year and \$150,000
 52.26 the second year may be transferred from the
 52.27 environmental fund to the small business
 52.28 environmental improvement loan account
 52.29 established in Minnesota Statutes, section
 52.30 116.993.

52.31 \$126,000 the first year and \$127,000 the
 52.32 second year are from the environmental fund
 52.33 for monitoring ambient air for hazardous
 52.34 pollutants in the metropolitan area.

53.1 \$214,000 the first year and \$219,000 the
 53.2 second year are from the environmental
 53.3 fund for systematic, localized monitoring
 53.4 efforts in the state that sample ambient air
 53.5 to determine whether significant localized
 53.6 differences exist. The commissioner, when
 53.7 selecting areas to monitor, shall give priority
 53.8 to areas where low income, indigenous
 53.9 American Indians, and communities of
 53.10 color are disproportionately impacted by
 53.11 pollution from highway traffic, air traffic,
 53.12 and industrial sources.

53.13 \$691,000 the first year and \$693,000 the
 53.14 second year are from the environmental
 53.15 fund for emission reduction activities and
 53.16 grants to small businesses and other nonpoint
 53.17 emission reduction efforts. Any unexpended
 53.18 balance in the first year does not cancel but is
 53.19 available in the second year.

53.20 Subd. 4. **Land** 22,013,000 18,934,000

53.21	<u>Appropriations by Fund</u>	
53.22	<u>2016</u>	<u>2017</u>
53.23	<u>Environmental</u>	<u>7,031,000</u> <u>7,150,000</u>
53.24	<u>Remediation</u>	<u>14,982,000</u> <u>11,784,000</u>

53.25 All money for environmental response,
 53.26 compensation, and compliance in the
 53.27 remediation fund not otherwise appropriated
 53.28 is appropriated to the commissioners of the
 53.29 Pollution Control Agency and agriculture
 53.30 for purposes of Minnesota Statutes, section
 53.31 115B.20, subdivision 2, clauses (1), (2),
 53.32 (3), (6), and (7). At the beginning of each
 53.33 fiscal year, the two commissioners shall
 53.34 jointly submit an annual spending plan
 53.35 to the commissioner of management and
 53.36 budget that maximizes the utilization of

54.1 resources and appropriately allocates the
54.2 money between the two departments. This
54.3 appropriation is available until June 30, 2017.
54.4 \$4,279,000 the first year and \$4,343,000 the
54.5 second year are from the remediation fund
54.6 for purposes of the leaking underground
54.7 storage tank program to investigate, clean up,
54.8 and prevent future releases from underground
54.9 petroleum storage tanks, and to the petroleum
54.10 remediation program for purposes of vapor
54.11 assessment and remediation. These same
54.12 annual amounts are transferred from the
54.13 petroleum tank fund to the remediation fund.
54.14 \$252,000 the first year and \$252,000 the
54.15 second year are from the remediation fund
54.16 for transfer to the commissioner of health for
54.17 private water supply monitoring and health
54.18 assessment costs in areas contaminated
54.19 by unpermitted mixed municipal solid
54.20 waste disposal facilities and drinking water
54.21 advisories and public information activities
54.22 for areas contaminated by hazardous releases.
54.23 \$743,000 the first year is transferred from the
54.24 general account in the remediation fund to
54.25 the dry cleaner environmental response and
54.26 reimbursement account in the remediation
54.27 fund for the purpose of remediating land
54.28 contaminated by a release from a dry cleaning
54.29 facility, as provided under Minnesota
54.30 Statutes, section 115B.50. The commissioner
54.31 shall prioritize expenditures from this
54.32 transfer to address contaminated sites that
54.33 pose the greatest risk to public health or
54.34 welfare or to the environment, as established

55.1 in Minnesota Statutes, section 115B.17,
 55.2 subdivision 13. This is a onetime transfer.
 55.3 \$868,000 the first year is from the remediation
 55.4 fund for a grant to the city of Mountain Iron
 55.5 for remediation of the abandoned wastewater
 55.6 treatment pond of the former Nichols
 55.7 Township. This is a onetime appropriation
 55.8 that is available until June 30, 2019.

55.9 Subd. 5. **Environmental Assistance and**
 55.10 **Cross-Media**

30,591,000

30,632,000

55.11	<u>Appropriations by Fund</u>		
55.12	<u>2016</u>	<u>2017</u>	
55.13	<u>Environmental</u>	<u>29,303,000</u>	<u>28,932,000</u>
55.14	<u>General</u>	<u>1,288,000</u>	<u>1,700,000</u>

55.15 \$17,250,000 the first year and \$17,250,000
 55.16 the second year are from the environmental
 55.17 fund for SCORE block grants to counties.
 55.18 \$119,000 the first year and \$119,000 the
 55.19 second year are from the environmental
 55.20 fund for environmental assistance grants
 55.21 or loans under Minnesota Statutes, section
 55.22 115A.0716. Any unencumbered grant and
 55.23 loan balances in the first year do not cancel
 55.24 but are available for grants and loans in the
 55.25 second year.

55.26 \$90,000 the first year and \$90,000 the
 55.27 second year are from the environmental fund
 55.28 for duties related to harmful chemicals in
 55.29 products under Minnesota Statutes, sections
 55.30 116.9401 to 116.9407. Of this amount,
 55.31 \$57,000 each year is transferred to the
 55.32 commissioner of health.

55.33 \$400,000 the second year is to enhance
 55.34 awareness of and reduce priority chemicals
 55.35 in consumer products. Of this amount,

56.1 \$90,000 the second year is for transfer to the
56.2 Department of Commerce and \$90,000 the
56.3 second year is for transfer to the Department
56.4 of Health. This is a onetime appropriation.
56.5 The agency base for fiscal year 2018 shall
56.6 include \$826,000 for this purpose.

56.7 \$203,000 the first year and \$207,000 the
56.8 second year are from the environmental
56.9 fund for the costs of implementing general
56.10 operating permits for feedlots over 1,000
56.11 animal units.

56.12 \$565,000 the first year and \$569,000 the
56.13 second year are from the general fund and
56.14 \$192,000 the first year and \$192,000 the
56.15 second year are from the environmental fund
56.16 for Environmental Quality Board operations
56.17 and support.

56.18 \$500,000 the first year from the
56.19 environmental fund is a onetime
56.20 appropriation to the Environmental Quality
56.21 Board for development of a Web-based
56.22 environmental review tool.

56.23 \$50,000 the first year and \$50,000 the second
56.24 year are from the environmental fund for
56.25 transfer to the Office of Administrative
56.26 Hearings to establish sanitary districts.

56.27 \$502,000 the first year and \$503,000 the
56.28 second year are from the general fund for
56.29 the Environmental Quality Board to lead
56.30 an interagency team to provide technical
56.31 assistance regarding the mining, processing,
56.32 and transporting of silica sand.

56.33 All money deposited in the environmental
56.34 fund for the metropolitan solid waste
56.35 landfill fee in accordance with Minnesota

57.1 Statutes, section 473.843, and not otherwise
57.2 appropriated, is appropriated for the purposes
57.3 of Minnesota Statutes, section 473.844.

57.4 Notwithstanding Minnesota Statutes, section
57.5 16A.28, the appropriations encumbered on
57.6 or before June 30, 2017, as contracts or
57.7 grants for surface water and groundwater
57.8 assessments; environmental assistance
57.9 awarded under Minnesota Statutes, section
57.10 115A.0716; technical and research assistance
57.11 under Minnesota Statutes, section 115A.152;
57.12 technical assistance under Minnesota
57.13 Statutes, section 115A.52; and pollution
57.14 prevention assistance under Minnesota
57.15 Statutes, section 115D.04, are available until
57.16 June 30, 2019.

57.17 Subd. 6. **Remediation Fund**

57.18 The commissioner shall transfer up to
57.19 \$42,000,000 from the environmental fund
57.20 to the remediation fund for the purposes
57.21 of the remediation fund under Minnesota
57.22 Statutes, section 116.155, subdivision
57.23 2. \$2,500,000 of the amount transferred
57.24 under this subdivision is appropriated in
57.25 the first year from the remediation fund to
57.26 the commissioner for a grant to the city of
57.27 Paynesville to add an air stripping treatment
57.28 process to a water treatment plant for removal
57.29 of volatile organic compounds.

57.30 Subd. 7. **Transfer**

57.31 By June 30, 2016, the commissioner of
57.32 management and budget shall transfer
57.33 \$33,276,000 from the closed landfill
57.34 investment fund to the general fund.

59.1 balance from the first year does not cancel
59.2 and is available in the second year.
59.3 \$2,755,000 the first year and \$2,815,000
59.4 the second year are from the minerals
59.5 management account in the natural resources
59.6 fund for use as provided in Minnesota
59.7 Statutes, section 93.2236, paragraph (c),
59.8 for mineral resource management, projects
59.9 to enhance future mineral income, and
59.10 projects to promote new mineral resource
59.11 opportunities.
59.12 \$200,000 the first year and \$200,000 the
59.13 second year are from the state forest suspense
59.14 account in the permanent school fund to
59.15 accelerate land exchanges, land sales, and
59.16 commercial leasing of school trust lands and
59.17 to identify, evaluate, and lease construction
59.18 aggregate located on school trust lands. This
59.19 appropriation is to be used for securing
59.20 long-term economic return from the
59.21 school trust lands consistent with fiduciary
59.22 responsibilities and sound natural resources
59.23 conservation and management principles.
59.24 Prior to June 30, 2015, the commissioner
59.25 shall offer to renegotiate mineral royalty
59.26 rates under Minnesota Statutes, section
59.27 93.20. In renegotiating the royalty rates, the
59.28 commissioner shall consider the long-term
59.29 effect of the royalty rates on the beneficiary
59.30 funds, including the effect of the royalty
59.31 rates on the long-term health of the mining
59.32 industry in Minnesota. This paragraph is
59.33 effective the day following final enactment.
59.34 **Subd. 3. Ecological and Water Resources** 32,768,000 32,506,000

60.1	<u>Appropriations by Fund</u>	
60.2	<u>2016</u>	<u>2017</u>
60.3 <u>General</u>	<u>17,491,000</u>	<u>17,046,000</u>
60.4 <u>Natural Resources</u>	<u>10,487,000</u>	<u>10,546,000</u>
60.5 <u>Game and Fish</u>	<u>4,790,000</u>	<u>4,914,000</u>
60.6	<u>\$3,242,000 the first year and \$3,242,000 the</u>	
60.7	<u>second year are from the invasive species</u>	
60.8	<u>account in the natural resources fund and</u>	
60.9	<u>\$3,206,000 the first year and \$3,206,000 the</u>	
60.10	<u>second year are from the general fund for</u>	
60.11	<u>management, public awareness, assessment</u>	
60.12	<u>and monitoring research, and water access</u>	
60.13	<u>inspection to prevent the spread of invasive</u>	
60.14	<u>species; management of invasive plants in</u>	
60.15	<u>public waters; and management of terrestrial</u>	
60.16	<u>invasive species on state-administered lands.</u>	
60.17	<u>\$3,000,000 the first year and \$5,000,000 the</u>	
60.18	<u>second year are from the water management</u>	
60.19	<u>account in the natural resources fund for only</u>	
60.20	<u>the purposes specified in Minnesota Statutes,</u>	
60.21	<u>section 103G.27, subdivision 2.</u>	
60.22	<u>\$124,000 the first year and \$124,000 the</u>	
60.23	<u>second year are for a grant to the Mississippi</u>	
60.24	<u>Headwaters Board for up to 50 percent of</u>	
60.25	<u>the cost of implementing the comprehensive</u>	
60.26	<u>plan for the upper Mississippi within areas</u>	
60.27	<u>under the board's jurisdiction.</u>	
60.28	<u>\$10,000 the first year and \$10,000 the second</u>	
60.29	<u>year are for payment to the Leech Lake Band</u>	
60.30	<u>of Chippewa Indians to implement the band's</u>	
60.31	<u>portion of the comprehensive plan for the</u>	
60.32	<u>upper Mississippi.</u>	
60.33	<u>\$264,000 the first year and \$264,000 the</u>	
60.34	<u>second year are for grants for up to 50</u>	

61.1 percent of the cost of implementation of the
61.2 Red River mediation agreement.
61.3 \$2,393,000 the first year and \$2,393,000
61.4 the second year are from the heritage
61.5 enhancement account in the game and
61.6 fish fund for only the purposes specified
61.7 in Minnesota Statutes, section 297A.94,
61.8 paragraph (e), clause (1).
61.9 \$950,000 the first year and \$950,000 the
61.10 second year are from the nongame wildlife
61.11 management account in the natural resources
61.12 fund for the purpose of nongame wildlife
61.13 management. Notwithstanding Minnesota
61.14 Statutes, section 290.431, \$100,000 the first
61.15 year and \$100,000 the second year may
61.16 be used for nongame wildlife information,
61.17 education, and promotion.
61.18 \$6,000,000 the first year and \$6,000,000 the
61.19 second year are from the general fund for the
61.20 following activities:
61.21 (1) financial reimbursement and technical
61.22 support to soil and water conservation
61.23 districts or other local units of government
61.24 for groundwater level monitoring;
61.25 (2) surface water monitoring and analysis,
61.26 including installation of monitoring gauges;
61.27 (3) groundwater analysis to assist with water
61.28 appropriation permitting decisions;
61.29 (4) permit application review incorporating
61.30 surface water and groundwater technical
61.31 analysis;
61.32 (5) precipitation data and analysis to improve
61.33 the use of irrigation;

62.1 (6) information technology, including
62.2 electronic permitting and integrated data
62.3 systems; and
62.4 (7) compliance and monitoring.
62.5 \$150,000 is for the commissioner of
62.6 natural resources, in cooperation with the
62.7 commissioners of the Pollution Control
62.8 Agency and health, the Public Facilities
62.9 Authority, and local units of government to
62.10 conduct a study and report to the legislature
62.11 on:
62.12 (1) the feasibility of constructing
62.13 a wastewater treatment facility for
62.14 communities surrounding White Bear Lake
62.15 that will provide treated wastewater to be
62.16 used to augment water levels in White Bear
62.17 Lake; and
62.18 (2) design and construction of an
62.19 augmentation supply from Sucker Lake
62.20 to White Bear Lake. The commissioner
62.21 shall submit the report to the chairs and
62.22 ranking minority members of the legislative
62.23 committees and divisions with jurisdiction
62.24 over environment and natural resources
62.25 policy and finance no later than January 15,
62.26 2016.
62.27 \$400,000 the first year is for grants to assist
62.28 in the construction of flood protection rural
62.29 and farmstead ring levees in the Red River
62.30 watershed. Grants may not exceed 50 percent
62.31 of the cost of the projects. This is a onetime
62.32 appropriation and is available until June 30,
62.33 2019.
62.34 **Subd. 4. Forest Management** 40,456,000 39,860,000

63.1	<u>Appropriations by Fund</u>	
63.2	<u>2016</u>	<u>2017</u>
63.3	<u>General</u>	<u>28,046,000</u>
63.4	<u>Natural Resources</u>	<u>27,450,000</u>
63.5	<u>Game and Fish</u>	<u>11,123,000</u>
63.6	<u>1,287,000</u>	
63.7	<u>\$7,145,000 the first year and \$7,145,000</u>	
63.8	<u>the second year are for prevention,</u>	
63.9	<u>presuppression, and suppression costs of</u>	
63.10	<u>emergency firefighting and other costs</u>	
63.11	<u>incurred under Minnesota Statutes, section</u>	
63.12	<u>88.12. The amount necessary to pay for</u>	
63.13	<u>presuppression and suppression costs during</u>	
63.14	<u>the biennium is appropriated from the general</u>	
63.15	<u>fund.</u>	
63.16	<u>By January 15 of each year, the commissioner</u>	
63.17	<u>of natural resources shall submit a report to</u>	
63.18	<u>the chairs and ranking minority members</u>	
63.19	<u>of the house and senate committees</u>	
63.20	<u>and divisions having jurisdiction over</u>	
63.21	<u>environment and natural resources finance,</u>	
63.22	<u>identifying all firefighting costs incurred</u>	
63.23	<u>and reimbursements received in the prior</u>	
63.24	<u>fiscal year. These appropriations may</u>	
63.25	<u>not be transferred. Any reimbursement</u>	
63.26	<u>of firefighting expenditures made to the</u>	
63.27	<u>commissioner from any source other than</u>	
63.28	<u>federal mobilizations shall be deposited into</u>	
63.29	<u>the general fund.</u>	
63.30	<u>\$11,123,000 the first year and \$11,123,000</u>	
63.31	<u>the second year are from the forest</u>	
63.32	<u>management investment account in the</u>	
63.33	<u>natural resources fund for only the purposes</u>	
63.34	<u>specified in Minnesota Statutes, section</u>	
63.35	<u>89.039, subdivision 2.</u>	
63.36	<u>\$1,287,000 the first year and \$1,287,000</u>	
63.37	<u>the second year are from the heritage</u>	

64.1 enhancement account in the game and fish
 64.2 fund to advance ecological classification
 64.3 systems (ECS) scientific management tools
 64.4 for forest and invasive species management.
 64.5 This appropriation is from revenue deposited
 64.6 in the game and fish fund under Minnesota
 64.7 Statutes, section 297A.94, paragraph (e),
 64.8 clause (1).
 64.9 \$880,000 the first year and \$880,000 the
 64.10 second year are for the Forest Resources
 64.11 Council for implementation of the
 64.12 Sustainable Forest Resources Act.
 64.13 \$1,000,000 the first year is for a pilot
 64.14 program to increase forest road maintenance.
 64.15 The commissioner shall use the money to
 64.16 perform needed maintenance on forest roads
 64.17 in conjunction with timber sales. Optional
 64.18 forest road maintenance contracts may be
 64.19 offered to successful purchasers of state
 64.20 timber sales at the commissioner's discretion.
 64.21 This is a onetime appropriation.
 64.22 \$250,000 the first year and \$250,000 the
 64.23 second year are for the FORIST system.
 64.24 The commissioner shall contract with a
 64.25 telecommunication provider to place a cell
 64.26 phone transmitter on the ranger tower on
 64.27 Side Lake in St. Louis County.
 64.28 The general fund base budget for forest
 64.29 management in fiscal year 2018 and
 64.30 thereafter is \$27,450,000.

64.31 **Subd. 5. Parks and Trails Management**

73,414,000

73,800,000

64.32 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
64.33 <u>General</u>	<u>23,627,000</u>	<u>23,777,000</u>

65.1	<u>Natural Resources</u>	<u>47,521,000</u>	<u>47,750,000</u>
65.2	<u>Game and Fish</u>	<u>2,266,000</u>	<u>2,273,000</u>

65.3 \$1,075,000 the first year and \$1,075,000 the
65.4 second year are from the water recreation
65.5 account in the natural resources fund for
65.6 enhancing public water access facilities.

65.7 \$5,740,000 the first year and \$5,740,000 the
65.8 second year are from the natural resources
65.9 fund for state trail, park, and recreation area
65.10 operations. This appropriation is from the
65.11 revenue deposited in the natural resources
65.12 fund under Minnesota Statutes, section
65.13 297A.94, paragraph (e), clause (2).

65.14 \$1,005,000 the first year and \$1,005,000 the
65.15 second year are from the natural resources
65.16 fund for park and trail grants to local units of
65.17 government on land to be maintained for at
65.18 least 20 years for the purposes of the grants.
65.19 This appropriation is from the revenue
65.20 deposited in the natural resources fund
65.21 under Minnesota Statutes, section 297A.94,
65.22 paragraph (e), clause (4). Any unencumbered
65.23 balance does not cancel at the end of the first
65.24 year and is available for the second year.

65.25 \$8,424,000 the first year and \$8,424,000
65.26 the second year are from the snowmobile
65.27 trails and enforcement account in the
65.28 natural resources fund for the snowmobile
65.29 grants-in-aid program. Any unencumbered
65.30 balance does not cancel at the end of the first
65.31 year and is available for the second year.

65.32 \$1,460,000 the first year and \$1,460,000 the
65.33 second year are from the natural resources
65.34 fund for the off-highway vehicle grants-in-aid
65.35 program. Of this amount, \$1,210,000 each

66.1 year is from the all-terrain vehicle account;
66.2 \$150,000 each year is from the off-highway
66.3 motorcycle account; and \$100,000 each year
66.4 is from the off-road vehicle account. Any
66.5 unencumbered balance does not cancel at the
66.6 end of the first year and is available for the
66.7 second year.

66.8 \$968,000 the first year and \$968,000 the
66.9 second year are from the off-road vehicle
66.10 account in the natural resources fund. Of
66.11 this amount, \$568,000 each year is for parks
66.12 and trails management for off-road vehicle
66.13 purposes; \$325,000 is for the off-road
66.14 vehicle grant-in-aid program; and \$75,000
66.15 is for a new full-time employee position or
66.16 contract in northern Minnesota to work in
66.17 conjunction with the Minnesota Four-Wheel
66.18 Drive Association to address off-road vehicle
66.19 touring routes and other issues related to
66.20 off-road vehicle activities. This is a onetime
66.21 appropriation.

66.22 \$75,000 the first year and \$75,000 the second
66.23 year are from the cross-country ski account
66.24 in the natural resources fund for grooming
66.25 and maintaining cross-country ski trails in
66.26 state parks, trails, and recreation areas.

66.27 \$250,000 the first year and \$250,000 the
66.28 second year are from the state land and
66.29 water conservation account (LAWCON)
66.30 in the natural resources fund for priorities
66.31 established by the commissioner for eligible
66.32 state projects and administrative and
66.33 planning activities consistent with Minnesota
66.34 Statutes, section 84.0264, and the federal
66.35 Land and Water Conservation Fund Act.

67.1 Any unencumbered balance does not cancel
 67.2 at the end of the first year and is available for
 67.3 the second year.

67.4 \$65,000 the first year is from the water
 67.5 recreation account in the natural resources
 67.6 fund to cooperate with local units of
 67.7 government in marking routes and
 67.8 designating river accesses and campsites
 67.9 under Minnesota Statutes, section 85.32.

67.10 This is a onetime appropriation and is
 67.11 available until June 30, 2019.

67.12 \$190,000 the first year is for a grant to the
 67.13 city of Virginia for the additional cost of
 67.14 supporting a trail due to the rerouting of
 67.15 U.S. Highway No. 53. This is a onetime
 67.16 appropriation and is available until June 30,
 67.17 2019.

67.18 \$50,000 the first year is for development of
 67.19 a master plan for the Mississippi Blufflands
 67.20 Trail, including work on possible extensions
 67.21 or connections to other state or regional
 67.22 trails. This is a onetime appropriation that is
 67.23 available until June 30, 2017.

67.24 \$61,000 the first year is for a grant to the
 67.25 city of East Grand Forks for payment under
 67.26 a reciprocity agreement for the Red River
 67.27 State Recreation Area.

67.28 Subd. 6. **Fish and Wildlife Management** 75,320,000 71,003,000

67.29 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
67.30 <u>Natural Resources</u>	<u>1,908,000</u>	<u>1,912,000</u>
67.31 <u>Game and Fish</u>	<u>73,412,000</u>	<u>69,091,000</u>

67.32 \$8,167,000 the first year and \$8,167,000
 67.33 the second year are from the heritage
 67.34 enhancement account in the game and fish
 67.35 enhancement account in the game and fish

68.1 fund only for activities specified in Minnesota
 68.2 Statutes, section 297A.94, paragraph (e),
 68.3 clause (1). Notwithstanding Minnesota
 68.4 Statutes, section 297A.94, five percent of
 68.5 this appropriation may be used for expanding
 68.6 hunter and angler recruitment and retention.
 68.7 \$5,000,000 the first year from the game
 68.8 and fish fund is for trap, skeet, and archery
 68.9 shooting sports facility grants under
 68.10 Minnesota Statutes, section 87A.10. This is
 68.11 a onetime appropriation and is available until
 68.12 June 30, 2018.

68.13 Notwithstanding Minnesota Statutes, section
 68.14 84.943, \$13,000 the first year and \$13,000
 68.15 the second year from the critical habitat
 68.16 private sector matching account may be used
 68.17 to publicize the critical habitat license plate
 68.18 match program.

68.19 Subd. 7. **Enforcement** 39,313,000 38,528,000

	<u>Appropriations by Fund</u>	
	<u>2016</u>	<u>2017</u>
68.21 <u>General</u>	<u>4,985,000</u>	<u>4,386,000</u>
68.22 <u>Natural Resources</u>	<u>10,095,000</u>	<u>10,193,000</u>
68.23 <u>Game and Fish</u>	<u>24,133,000</u>	<u>23,849,000</u>
68.24 <u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

68.26 \$870,000 the first year and \$130,000 the
 68.27 second year from the general fund and
 68.28 \$1,330,000 the first year and \$220,000 the
 68.29 second year from the game and fish fund are
 68.30 for aviation services. This appropriation is
 68.31 onetime.
 68.32 \$1,718,000 the first year and \$1,718,000 the
 68.33 second year are from the general fund for
 68.34 enforcement efforts to prevent the spread of
 68.35 aquatic invasive species.

69.1 \$1,520,000 the first year and \$1,563,000
69.2 the second year are from the heritage
69.3 enhancement account in the game and
69.4 fish fund for only the purposes specified
69.5 in Minnesota Statutes, section 297A.94,
69.6 paragraph (e), clause (1). The base for these
69.7 purposes in fiscal year 2018 and thereafter is
69.8 \$1,590,000.

69.9 \$1,082,000 the first year and \$1,082,000 the
69.10 second year are from the water recreation
69.11 account in the natural resources fund for
69.12 grants to counties for boat and water safety.
69.13 Any unencumbered balance does not cancel
69.14 at the end of the first year and is available for
69.15 the second year.

69.16 \$315,000 the first year and \$315,000 the
69.17 second year are from the snowmobile
69.18 trails and enforcement account in the
69.19 natural resources fund for grants to local
69.20 law enforcement agencies for snowmobile
69.21 enforcement activities. Any unencumbered
69.22 balance does not cancel at the end of the first
69.23 year and is available for the second year.

69.24 \$250,000 the first year and \$250,000
69.25 the second year are from the all-terrain
69.26 vehicle account for grants to qualifying
69.27 organizations to assist in safety and
69.28 environmental education and monitoring
69.29 trails on public lands under Minnesota
69.30 Statutes, section 84.9011. Grants issued
69.31 under this paragraph must be issued through
69.32 a formal agreement with the organization.
69.33 By December 15 each year, an organization
69.34 receiving a grant under this paragraph shall
69.35 report to the commissioner with details on

70.1 expenditures and outcomes from the grant.
 70.2 Of this appropriation, \$25,000 each year
 70.3 is for administration of these grants. Any
 70.4 unencumbered balance does not cancel at the
 70.5 end of the first year and is available for the
 70.6 second year.

70.7 \$510,000 the first year and \$510,000
 70.8 the second year are from the natural
 70.9 resources fund for grants to county law
 70.10 enforcement agencies for off-highway
 70.11 vehicle enforcement and public education
 70.12 activities based on off-highway vehicle use
 70.13 in the county. Of this amount, \$498,000 each
 70.14 year is from the all-terrain vehicle account;
 70.15 \$11,000 each year is from the off-highway
 70.16 motorcycle account; and \$1,000 each year
 70.17 is from the off-road vehicle account. The
 70.18 county enforcement agencies may use
 70.19 money received under this appropriation
 70.20 to make grants to other local enforcement
 70.21 agencies within the county that have a high
 70.22 concentration of off-highway vehicle use.

70.23 Of this appropriation, \$25,000 each year
 70.24 is for administration of these grants. Any
 70.25 unencumbered balance does not cancel at the
 70.26 end of the first year and is available for the
 70.27 second year.

70.28 **Subd. 8. Operations Support** 1,070,000 1,070,000

70.29	<u>Appropriations by Fund</u>	
70.30	<u>2016</u>	<u>2017</u>
70.31 <u>General</u>	<u>750,000</u>	<u>750,000</u>
70.32 <u>Natural Resources</u>	<u>320,000</u>	<u>320,000</u>

70.33 \$320,000 the first year and \$320,000 the
 70.34 second year are from the natural resources
 70.35 fund for grants to be divided equally between
 70.36 the city of St. Paul for the Como Park Zoo

71.1 and Conservatory and the city of Duluth
 71.2 for the Duluth Zoo. This appropriation
 71.3 is from the revenue deposited to the fund
 71.4 under Minnesota Statutes, section 297A.94,
 71.5 paragraph (e), clause (5).

71.6 \$500,000 each year is for legal costs related
 71.7 to water management. This is a onetime
 71.8 appropriation and is available until June 30,
 71.9 2018.

71.10 Money appropriated in this section may not
 71.11 be spent on a new contract for a call center
 71.12 that is located outside the state of Minnesota.

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

\$ 13,959,000 \$ 13,133,000

71.15 \$3,423,000 the first year and \$3,423,000 the
 71.16 second year are for natural resources block
 71.17 grants to local governments. Grants must be
 71.18 matched with a combination of local cash or
 71.19 in-kind contributions. The base grant portion
 71.20 related to water planning must be matched
 71.21 by an amount as specified by Minnesota
 71.22 Statutes, section 103B.3369. The board may
 71.23 reduce the amount of the natural resources
 71.24 block grant to a county by an amount equal to
 71.25 any reduction in the county's general services
 71.26 allocation to a soil and water conservation
 71.27 district from the county's previous year
 71.28 allocation when the board determines that
 71.29 the reduction was disproportionate.

71.30 \$3,116,000 the first year and \$3,116,000 the
 71.31 second year are for grants to soil and water
 71.32 conservation districts for general purposes,
 71.33 nonpoint engineering, and implementation of
 71.34 the reinvest in Minnesota reserve program.
 71.35 Expenditures may be made from these

72.1 appropriations for supplies and services
72.2 benefiting soil and water conservation
72.3 districts. Any district receiving a grant under
72.4 this paragraph shall maintain a Web page that
72.5 publishes, at a minimum, its annual report,
72.6 annual audit, annual budget, and meeting
72.7 notices.

72.8 \$1,560,000 the first year and \$1,560,000 the
72.9 second year are for the following cost-share
72.10 programs:

72.11 (1) \$260,000 each year is for feedlot water
72.12 quality grants for feedlots under 300 animal
72.13 units and nutrient and manure management
72.14 projects in watersheds where there are
72.15 impaired waters;

72.16 (2) \$1,200,000 each year is for soil and
72.17 water conservation district cost-sharing
72.18 contracts for perennially vegetated riparian
72.19 buffers, erosion control, water retention
72.20 and treatment, and other high-priority
72.21 conservation practices; and

72.22 (3) \$100,000 each year is for county
72.23 cooperative weed management programs and
72.24 to restore native plants in selected invasive
72.25 species management sites by providing local
72.26 native seeds and plants to landowners for
72.27 implementation.

72.28 \$800,000 the first year and \$750,000
72.29 the second year are for implementation,
72.30 enforcement, and oversight of the Wetland
72.31 Conservation Act.

72.32 \$166,000 the first year and \$166,000
72.33 the second year are to provide technical
72.34 assistance to local drainage management

73.1 officials and for the costs of the Drainage
73.2 Work Group.

73.3 \$100,000 the first year and \$100,000
73.4 the second year are for a grant to the
73.5 Red River Basin Commission for water
73.6 quality and floodplain management,
73.7 including administration of programs. This
73.8 appropriation must be matched by nonstate
73.9 funds. If the appropriation in either year is
73.10 insufficient, the appropriation in the other
73.11 year is available for it.

73.12 \$120,000 the first year and \$120,000
73.13 the second year are for grants to Area
73.14 II Minnesota River Basin Projects for
73.15 floodplain management.

73.16 Notwithstanding Minnesota Statutes, section
73.17 103C.501, the board may shift cost-share
73.18 funds in this section and may adjust the
73.19 technical and administrative assistance
73.20 portion of the grant funds to leverage
73.21 federal or other nonstate funds or to address
73.22 high-priority needs identified in local water
73.23 management plans or comprehensive water
73.24 management plans.

73.25 \$750,000 the first year is for purposes of
73.26 Minnesota Statutes, section 103F.519. This
73.27 appropriation is onetime and is available
73.28 until June 30, 2017.

73.29 The appropriations for grants in this section
73.30 are available until June 30, 2019. If an
73.31 appropriation for grants in either year is
73.32 insufficient, the appropriation in the other
73.33 year is available for it.

73.34 **Sec. 5. METROPOLITAN COUNCIL \$ 8,540,000 \$ 8,540,000**

74.1 Appropriations by Fund

74.2		<u>2016</u>	<u>2017</u>
74.3	<u>General</u>	<u>2,870,000</u>	<u>2,870,000</u>
74.4	<u>Natural Resources</u>	<u>5,670,000</u>	<u>5,670,000</u>

74.5 \$2,870,000 the first year and \$2,870,000 the
 74.6 second year are for metropolitan area regional
 74.7 parks operation and maintenance according
 74.8 to Minnesota Statutes, section 473.351.

74.9 \$5,670,000 the first year and \$5,670,000 the
 74.10 second year are from the natural resources
 74.11 fund for metropolitan area regional parks
 74.12 and trails maintenance and operations. This
 74.13 appropriation is from the revenue deposited
 74.14 in the natural resources fund under Minnesota
 74.15 Statutes, section 297A.94, paragraph (e),
 74.16 clause (3).

74.17 **Sec. 6. CONSERVATION CORPS**

74.18 **MINNESOTA** **\$ 945,000 \$ 945,000**

74.19 Appropriations by Fund

74.20		<u>2016</u>	<u>2017</u>
74.21	<u>General</u>	<u>455,000</u>	<u>455,000</u>
74.22	<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

74.23 Conservation Corps Minnesota may receive
 74.24 money appropriated from the natural
 74.25 resources fund under this section only
 74.26 as provided in an agreement with the
 74.27 commissioner of natural resources.

74.28 **Sec. 7. ZOOLOGICAL BOARD** **\$ 8,410,000 \$ 8,410,000**

74.29 Appropriations by Fund

74.30		<u>2016</u>	<u>2017</u>
74.31	<u>General</u>	<u>8,250,000</u>	<u>8,250,000</u>
74.32	<u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

74.33 \$160,000 the first year and \$160,000 the
 74.34 second year are from the natural resources

76.1 Sec. 3. **[84.69] NATURAL RESOURCES CONSERVATION EASEMENT**
76.2 **STEWARDSHIP ACCOUNT.**

76.3 Subdivision 1. **Account established; sources.** The natural resources conservation
76.4 easement stewardship account is created in the special revenue fund. The account consists
76.5 of money credited to the account and interest and other earnings on money in the account.
76.6 The State Board of Investment must manage the account to maximize long-term gain. The
76.7 following revenue must be deposited in the natural resources conservation easement
76.8 stewardship account:

76.9 (1) contributions to the account or specified for any purpose of the account;

76.10 (2) contributions under subdivision 3; section 84.66, subdivision 11; or other
76.11 applicable law;

76.12 (3) money appropriated for any of the purposes described in subdivision 2;

76.13 (4) money appropriated for monitoring and enforcement of easements and earnings
76.14 on the money appropriated that revert to the state under section 97A.056, subdivision
76.15 17, or other applicable law; and

76.16 (5) gifts under section 84.085 for conservation easement stewardship.

76.17 Subd. 2. **Appropriation; purposes of account.** Five percent of the balance on
76.18 July 1 of each year in the natural resources conservation easement stewardship account
76.19 is annually appropriated to the commissioner of natural resources and may be spent
76.20 only to cover the costs of managing conservation easements held by the Department
76.21 of Natural Resources, including costs associated with monitoring, landowner contacts,
76.22 records storage and management, processing landowner notices, requests for approval
76.23 or amendments, enforcement, and legal services associated with conservation easement
76.24 management activities.

76.25 Subd. 3. **Financial contributions.** The commissioner shall seek a financial
76.26 contribution to the natural resources conservation easement stewardship account for each
76.27 conservation easement acquired by or assigned to the Department of Natural Resources.
76.28 Unless otherwise provided by law, the commissioner shall determine the amount of the
76.29 contribution, which must be an amount calculated to earn sufficient money to meet
76.30 the costs of managing the conservation easement at a level that neither significantly
76.31 overrecovers nor underrecovers the costs. In determining the amount of the financial
76.32 contribution, the commissioner shall consider:

76.33 (1) the estimated annual staff hours needed to manage the conservation easement,
76.34 taking into consideration factors such as easement type, size, location, and complexity;

76.35 (2) the average hourly wages for the class or classes of employees expected to
76.36 manage the conservation easement;

- 77.1 (3) the estimated annual travel expenses to manage the conservation easement;
 77.2 (4) the estimated annual miscellaneous costs to manage the conservation easement,
 77.3 including supplies and equipment, information technology support, and aerial flyovers;
 77.4 (5) the estimated annualized cost of legal services, including the cost to enforce the
 77.5 easement in the event of a violation; and
 77.6 (6) the expected rate of return on investments in the account.

77.7 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
 77.8 following final enactment. Subdivision 3 of this section is effective for conservation
 77.9 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
 77.10 of conservation easements by gift that are initiated on or after July 1, 2015.

77.11 Sec. 4. Minnesota Statutes 2014, section 84.82, subdivision 2a, is amended to read:

77.12 Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail
 77.13 use. A snowmobile registered under this subdivision may not be operated on a state or
 77.14 grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with
 77.15 an engine displacement that is greater than 125 cubic centimeters is \$45 for three years. A
 77.16 nontrail use registration is not transferable. In addition to other penalties prescribed by
 77.17 law, the penalty for violation of this subdivision is immediate revocation of the nontrail
 77.18 use registration. The commissioner shall ensure that the registration sticker provided for
 77.19 limited nontrail use is of a different color and is distinguishable from other snowmobile
 77.20 registration and state trail stickers provided.

77.21 Sec. 5. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

77.22 Subd. 6. **Exemptions.** Registration is not required under this section for:

- 77.23 (1) a snowmobile owned and used by the United States, an Indian tribal government,
 77.24 another state, or a political subdivision thereof;
 77.25 (2) a snowmobile registered in a country other than the United States temporarily
 77.26 used within this state;
 77.27 (3) a snowmobile that is covered by a valid license of another state and has not been
 77.28 within this state for more than 30 consecutive days or that is registered by an Indian tribal
 77.29 government to a tribal member and has not been outside the tribal reservation boundary
 77.30 for more than 30 consecutive days;
 77.31 (4) a snowmobile used exclusively in organized track racing events;
 77.32 (5) a snowmobile in transit by a manufacturer, distributor, or dealer;
 77.33 (6) a snowmobile at least 15 years old in transit by an individual for use only on
 77.34 land owned or leased by the individual; or

78.1 (7) a snowmobile while being used to groom a state or grant-in-aid trail; or
78.2 (8) a snowmobile with an engine displacement that is 125 cubic centimeters or less
78.3 and the snowmobile is not operated on a state or grant-in-aid trail.

78.4 Sec. 6. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

78.5 Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means
78.6 a motorized vehicle ~~of with:~~ (1) not less than three, but not more than six low pressure
78.7 or non-pneumatic tires, that is limited in engine displacement of less than 1,000 cubic
78.8 centimeters and; (2) a total dry weight of 2,000 pounds or less; and (3) a total width
78.9 from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle
78.10 includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does
78.11 not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used
78.12 specifically for lawn maintenance, agriculture, logging, or mining purposes.

78.13 Sec. 7. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

78.14 Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an
78.15 all-terrain vehicle that has a total ~~dry weight of less than 1,200 pounds~~ width from outside
78.16 of tire rim to outside of tire rim that is 50 inches or less.

78.17 Sec. 8. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

78.18 Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an
78.19 all-terrain vehicle that has a total ~~dry weight of 1,200 to 1,800 pounds~~ width from outside
78.20 of tire rim to outside of tire rim that is greater than 50 inches but not more than 65 inches.

78.21 Sec. 9. Minnesota Statutes 2014, section 84.922, subdivision 5, is amended to read:

78.22 Subd. 5. **Fees for registration.** (a) The fee for a three-year registration of
78.23 an all-terrain vehicle under this section, other than those registered by a dealer or
78.24 manufacturer under paragraph (b) or (c), is:

78.25 (1) for public use, \$45 for class 1 all-terrain vehicles and \$48 for class 2 all-terrain
78.26 vehicles;

78.27 (2) for private use, \$6; and

78.28 (3) for a duplicate or transfer, \$4.

78.29 (b) The total registration fee for all-terrain vehicles owned by a dealer and operated for
78.30 demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

79.1 (c) The total registration fee for all-terrain vehicles owned by a manufacturer and
 79.2 operated for research, testing, experimentation, or demonstration purposes is \$150 per
 79.3 year. Manufacturer registrations are not transferable.

79.4 (d) The onetime fee for registration of an all-terrain vehicle under subdivision 2b is \$6.

79.5 (e) The fees collected under this subdivision must be credited to the all-terrain
 79.6 vehicle account.

79.7 Sec. 9. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision
 79.8 to read:

79.9 Subd. 1a. **Aquatic invasive species affirmation.** "Aquatic invasive species
 79.10 affirmation" means an affirmation of the summary of the aquatic invasive species laws of
 79.11 this chapter that is part of watercraft licenses and nonresident fishing licenses, as provided
 79.12 in section 84D.106.

79.13 **EFFECTIVE DATE.** This section is effective January 1, 2016.

79.14 Sec. 10. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

79.15 Aquatic invasive species affirmation is required for all:

79.16 (1) watercraft licenses issued under section 86B.401; and

79.17 (2) all nonresident fishing licenses, as provided in section 97C.301, subdivision 2a.

79.18 **EFFECTIVE DATE.** Clause (1) of this section is effective January 1, 2016. Clause
 79.19 (2) of this section is effective March 1, 2016.

79.20 Sec. 11. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

79.21 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
 79.22 the following penalty amounts:

79.23 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

79.24 (2) for placing or attempting to place into waters of the state water-related equipment
 79.25 that has aquatic macrophytes attached, \$200;

79.26 (3) for unlawfully possessing or transporting a prohibited invasive species other
 79.27 than an aquatic macrophyte, \$500;

79.28 (4) for placing or attempting to place into waters of the state water-related equipment
 79.29 that has prohibited invasive species attached when the waters are not listed by the
 79.30 commissioner as being infested with that invasive species, \$500;

79.31 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
 79.32 prescribed by rule, Eurasian water milfoil, \$100;

80.1 (6) for failing to have drain plugs or similar devices removed or opened while
 80.2 transporting water-related equipment or for failing to remove plugs, open valves, and
 80.3 drain water from water-related equipment, other than marine sanitary systems, before
 80.4 leaving waters of the state, \$100; ~~and~~

80.5 (7) for transporting infested water off riparian property without a permit as required
 80.6 by rule, \$200; and

80.7 (8) for failing to have aquatic invasive species affirmation displayed or available for
 80.8 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25.

80.9 (b) A civil citation that is issued to a person who has one or more prior convictions
 80.10 or final orders for violations of this chapter is subject to twice the penalty amounts listed
 80.11 in paragraph (a).

80.12 Sec. 12. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

80.13 Subd. 3. **Use of money in account.** Money credited to the invasive species account
 80.14 in subdivision 2 shall be used for management of invasive species and implementation of
 80.15 this chapter as it pertains to invasive species, including control, public awareness, law
 80.16 enforcement, assessment and monitoring, management planning, habitat improvements,
 80.17 and research.

80.18 Sec. 13. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision
 80.19 to read:

80.20 Subd. 6a. **Mississippi Blufflands Trail; Goodhue and Wabasha Counties.** (a)
 80.21 The Mississippi Blufflands Trail shall originate at the Cannon Valley Trail and thence
 80.22 extend generally southeasterly along the Mississippi River through Frontenac State Park in
 80.23 Goodhue County and continue through Goodhue and Wabasha Counties to the city of Lake
 80.24 City, and there terminate. The trail shall include connections to the Rattlesnake Bluff Trail.

80.25 (b) The trail shall be developed primarily for riding and hiking.

80.26 (c) In establishing, developing, maintaining, and operating the trail, the
 80.27 commissioner shall cooperate with local units of government and private individuals and
 80.28 groups whenever feasible.

80.29 Sec. 14. Minnesota Statutes 2014, section 85.055, subdivision 1, is amended to read:

80.30 Subdivision 1. **Fees.** The fee for state park permits for:

80.31 (1) an annual use of state parks is ~~\$25~~ \$30;

80.32 (2) a second or subsequent vehicle state park permit is \$18;

80.33 (3) a state park permit valid for one day is ~~\$5~~ \$6;

- 81.1 (4) a daily vehicle state park permit for groups is \$3;
- 81.2 (5) an annual permit for motorcycles is \$20;
- 81.3 (6) an employee's state park permit is without charge; and
- 81.4 (7) a state park permit for persons with disabilities under section 85.053, subdivision
- 81.5 7, paragraph (a), clauses (1) to (3), is \$12.

81.6 The fees specified in this subdivision include any sales tax required by state law.

81.7 Sec. 15. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

81.8 Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized

81.9 in cooperation with local units of government and private individuals and groups when

81.10 feasible to mark state water trails on the Little Fork, Big Fork, Minnesota, St. Croix,

81.11 Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine,

81.12 Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan,

81.13 Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in

81.14 Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood,

81.15 Blue Earth, Cedar, Shell Rock, and Crow Rivers which have historic and scenic values

81.16 and to mark appropriately points of interest, portages, camp sites, and all dams, rapids,

81.17 waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak,

81.18 and watercraft travelers.

81.19 Sec. 16. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

81.20 Subd. 3. **Licensing.** (a) The license agent shall register the watercraft on receiving

81.21 an application and the license fee. A license and registration sticker with a registration

81.22 number shall be issued and must be affixed to the watercraft as prescribed by the

81.23 commissioner of natural resources.

81.24 (b) A license includes aquatic invasive species affirmation as provided in section

81.25 84D.106. The aquatic invasive species affirmation portion of the license must be displayed

81.26 with the signed license certificate. The aquatic invasive species affirmation will be

81.27 provided with an application for a new, transfer, duplicate, or renewal watercraft license.

81.28 (c) The license is not valid unless signed by at least one owner.

81.29 (d) Failure to complete the aquatic invasive species affirmation in this subdivision is

81.30 subject to the penalty prescribed in section 84D.13, subdivision 5.

81.31 **EFFECTIVE DATE.** This section is effective January 1, 2016.

82.1 Sec. 17. Minnesota Statutes 2014, section 87A.10, is amended to read:

82.2 **87A.10 TRAP, SKEET, AND ARCHERY SHOOTING SPORTS FACILITY**
 82.3 **GRANTS.**

82.4 The commissioner of natural resources shall administer a program to provide
 82.5 cost-share grants to local recreational shooting clubs or local units of government for up to
 82.6 50 percent of the costs of developing or rehabilitating trap, skeet, and archery shooting
 82.7 sports facilities for public use. A facility rehabilitated or developed with a grant under this
 82.8 section must be open to the general public at reasonable times and for a reasonable fee
 82.9 on a walk-in basis. The commissioner shall give preference to projects that will provide
 82.10 the most opportunities for youth.

82.11 Sec. 18. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

82.12 Subd. 4. **Forest bough account; disposition of fees.** (a) The forest bough account
 82.13 is established in the state treasury within the natural resources fund.

82.14 (b) Fees for permits issued under this section ~~shall~~ must be deposited in the state
 82.15 treasury and credited to the forest bough account and, except for the electronic licensing
 82.16 system commission established by the commissioner under section 84.027, subdivision
 82.17 15, are annually appropriated to the commissioner of natural resources for costs associated
 82.18 with ~~balsam bough educational~~ special forest product information and education programs
 82.19 for harvesters and buyers.

82.20 Sec. 19. Minnesota Statutes 2014, section 90.14, is amended to read:

82.21 **90.14 AUCTION SALE PROCEDURE.**

82.22 (a) All state timber shall be offered and sold by the same unit of measurement as it
 82.23 was appraised. No tract shall be sold to any person other than the purchaser in whose name
 82.24 the bid was made. The commissioner may refuse to approve any and all bids received and
 82.25 cancel a sale of state timber for good and sufficient reasons.

82.26 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
 82.27 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section
 82.28 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the
 82.29 appraised value. In case any purchaser fails to make such payment, the purchaser shall be
 82.30 liable therefor to the state in a civil action, and the commissioner may reoffer the timber for
 82.31 sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

82.32 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of state
 82.33 timber may, at the time of payment by the purchaser to the commissioner of 15 percent
 82.34 of the appraised value, elect in writing on a form prescribed by the attorney general to

83.1 purchase a permit based solely on the appraiser's estimate of the volume of timber described
83.2 in the permit, provided that the commissioner has expressly designated the availability of
83.3 such option for that tract on the list of tracts available for sale as required under section
83.4 90.101. A purchaser who elects in writing on a form prescribed by the attorney general
83.5 to purchase a permit based solely on the appraiser's estimate of the volume of timber
83.6 described on the permit does not have recourse to the provisions of section 90.281.

83.7 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
83.8 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15
83.9 percent of the appraised value that must be received or postmarked within 14 days of
83.10 the date of the sealed bid opening. If a purchaser fails to make the down payment, the
83.11 purchaser is liable for the down payment to the state and the commissioner may offer the
83.12 timber for sale to the next highest bidder as though no higher bid had been made.

83.13 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
83.14 issued under section 90.151, the commissioner shall require the purchaser to make a bid
83.15 guarantee payment to the commissioner in an amount equal to 15 percent of the total
83.16 purchase price of the permit less the down payment amount required by paragraph (b)
83.17 for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid
83.18 guarantee payment is not submitted with the signed permit, no harvesting may occur, the
83.19 permit cancels, and the down payment for timber forfeits to the state. The bid guarantee
83.20 payment forfeits to the state if the purchaser and successors in interest fail to execute
83.21 an effective permit.

83.22 **EFFECTIVE DATE.** This section is effective June 1, 2015, and applies to permits
83.23 sold on or after that date.

83.24 Sec. 20. Minnesota Statutes 2014, section 90.193, is amended to read:

83.25 **90.193 EXTENSION OF TIMBER PERMITS.**

83.26 The commissioner may, in the case of an exceptional circumstance beyond the
83.27 control of the timber permit holder which makes it unreasonable, impractical, and not
83.28 feasible to complete cutting and removal under the permit within the time allowed, grant
83.29 one regular extension for one year. A written request for the regular extension must be
83.30 received by the commissioner before the permit expires. The request must state the reason
83.31 the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~
83.32 five percent may be charged for the period of extension.

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

84.1 Sec. 22. Minnesota Statutes 2014, section 93.20, subdivision 18, is amended to read:

84.2 Subd. 18. **Schedule 7.** Schedule 7. Taconite ore shall be understood to mean a
84.3 ferruginous chert or ferruginous slate in the form of compact siliceous rock, in which the
84.4 iron oxide is so finely disseminated that substantially all of the iron-bearing particles of
84.5 merchantable grade are smaller than 20 mesh.

84.6 Taconite concentrates shall be understood to mean the merchantable product, suitable
84.7 for blast furnace use, which, in accordance with good engineering and metallurgical
84.8 practice, has been produced from taconite ore which requires treatment by fine grinding,
84.9 magnetic separation, flotation, or some other method or methods other than or in addition
84.10 to one or more of the methods specified in schedules 1 to 6, inclusive.

84.11 On a ton of taconite concentrates averaging in dried iron 40.49 percent or less, the
84.12 royalty shall be no less than 11 cents. The royalty rate shall be increased one percent for
84.13 each increase of one percent, or fraction thereof, in dried iron analysis.

84.14 In lieu of payment of such royalty on the taconite concentrates, royalty payments
84.15 may be made on the taconite ore as set forth in section 93.201.

84.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
84.17 and applies to both existing and new leases entered into under this section.

84.18 Sec. 24. Minnesota Statutes 2014, section 97A.055, subdivision 4b, is amended to read:

84.19 Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint
84.20 committees of affected persons to review the reports prepared under subdivision 4; review
84.21 the proposed work plans and budgets for the coming year; propose changes in policies,
84.22 activities, and revenue enhancements or reductions; review other relevant information;
84.23 and make recommendations to the legislature and the commissioner for improvements in
84.24 the management and use of money in the game and fish fund.

84.25 (b) The commissioner shall appoint the following committees, each comprised
84.26 of at least ten affected persons:

84.27 (1) a Fisheries Oversight Committee to review fisheries funding and expenditures,
84.28 including activities related to trout and salmon stamps and walleye stamps; and

84.29 (2) a Wildlife Oversight Committee to review wildlife funding and expenditures,
84.30 including activities related to migratory waterfowl, pheasant, and wild turkey management
84.31 and deer and big game management.

84.32 (c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
84.33 Committee, and four additional members from each committee, shall form a Budgetary
84.34 Oversight Committee to coordinate the integration of the fisheries and wildlife oversight
84.35 committee reports into an annual report to the legislature; recommend changes on a broad

85.1 level in policies, activities, and revenue enhancements or reductions; and provide a forum
85.2 to address issues that transcend the fisheries and wildlife oversight committees.

85.3 (d) The Budgetary Oversight Committee shall develop recommendations for a
85.4 biennial budget plan and report for expenditures on game and fish activities. By August 15
85.5 of each even-numbered year, the committee shall submit the budget plan recommendations
85.6 to the commissioner and to the senate and house of representatives committees with
85.7 jurisdiction over natural resources finance.

85.8 (e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
85.9 Committee shall be chosen by their respective committees. The chair of the Budgetary
85.10 Oversight Committee shall be appointed by the commissioner and may not be the chair of
85.11 either of the other oversight committees.

85.12 (f) The Budgetary Oversight Committee may make recommendations to the
85.13 commissioner and to the senate and house of representatives committees with jurisdiction
85.14 over natural resources finance for outcome goals from expenditures.

85.15 (g) The committees authorized under this subdivision are not advisory councils or
85.16 committees governed by section 15.059 and are not subject to section 15.059. Committee
85.17 members appointed by the commissioner may request reimbursement for mileage
85.18 expenses in the same manner and amount as authorized by the commissioner's plan
85.19 adopted under section 43A.18, subdivision 2. Committee members must not receive daily
85.20 compensation for oversight activities. The Fisheries Oversight Committee, the Wildlife
85.21 Oversight Committee, and the Budgetary Oversight Committee expire June 30, ~~2015~~ 2020.

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

85.23 Sec. 25. Minnesota Statutes 2014, section 97B.301, is amended by adding a
85.24 subdivision to read:

85.25 **Subd. 9. Residents age 84 or over may take deer of either sex.** A resident age 84
85.26 or over may take a deer of either sex. This subdivision does not authorize the taking of an
85.27 antlerless deer by another member of a party under subdivision 3.

85.28 Sec. 26. Minnesota Statutes 2014, section 97C.301, is amended by adding a
85.29 subdivision to read:

85.30 **Subd. 2a. Aquatic invasive species affirmation.** (a) A nonresident license to
85.31 take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species
85.32 affirmation as provided in section 84D.106.

85.33 **(b) The aquatic invasive species affirmation portion of the license must be displayed**
85.34 **with the signed nonresident license to take fish issued under section 97A.475, subdivision**

86.1 7. The aquatic invasive species affirmation will be provided at the time of purchase of a
86.2 new or duplicate nonresident license.

86.3 (c) If a license is purchased online, the aquatic invasive species affirmation may be
86.4 completed electronically as part of the online sales process, and the electronic record of
86.5 the license sale will be sufficient for documenting the affirmation.

86.6 (d) Failure to complete the aquatic invasive species affirmation in this subdivision is
86.7 subject to the penalty prescribed in section 84D.13, subdivision 5.

86.8 **EFFECTIVE DATE.** This section is effective March 1, 2016.

86.9 Sec. 27. Minnesota Statutes 2014, section 103B.101, is amended by adding a
86.10 subdivision to read:

86.11 Subd. 16. **Wetland stakeholder coordination.** The board shall work with
86.12 wetland stakeholders to foster mutual understanding and provide recommendations for
86.13 improvements to the management of wetlands and related land and water resources,
86.14 including recommendations for updating the Wetland Conservation Act, developing
86.15 an in-lieu fee program as defined in section 103G.005, subdivision 10g, and related
86.16 provisions. The board may convene informal working groups or work teams to provide
86.17 information and education and to develop recommendations.

86.18 Sec. 28. **[103B.103] EASEMENT STEWARDSHIP ACCOUNTS.**

86.19 Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation
86.20 easement stewardship account and the mitigation easement stewardship account are
86.21 created in the special revenue fund. The accounts consist of money credited to the
86.22 accounts and interest and other earnings on money in the accounts. The State Board of
86.23 Investment must manage the accounts to maximize long-term gain.

86.24 (b) Revenue from contributions and money appropriated for any purposes of the
86.25 account as described in subdivision 2 must be deposited in the water and soil conservation
86.26 easement stewardship account. Revenue from contributions, wetland banking fees
86.27 designated for stewardship purposes by the board, easement stewardship payments
86.28 authorized under subdivision 3, and money appropriated for any purposes of the account
86.29 as described in subdivision 2 must be deposited in the mitigation easement stewardship
86.30 account.

86.31 Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on
86.32 July 1 each year in the water and soil conservation easement stewardship account and
86.33 five percent of the balance on July 1 each year in the mitigation easement stewardship
86.34 account are annually appropriated to the board and may be spent only to cover the costs

87.1 of managing easements held by the board, including costs associated with monitoring,
 87.2 landowner contacts, records storage and management, processing landowner notices,
 87.3 requests for approval or amendments, enforcement, and legal services associated with
 87.4 easement management activities.

87.5 Subd. 3. **Financial contributions.** The board shall seek a financial contribution
 87.6 to the water and soil conservation easement stewardship account for each conservation
 87.7 easement acquired by the board. The board shall seek a financial contribution or assess an
 87.8 easement stewardship payment to the mitigation easement stewardship account for each
 87.9 wetland banking easement acquired by the board. Unless otherwise provided by law,
 87.10 the board shall determine the amount of the contribution or payment, which must be an
 87.11 amount calculated to earn sufficient money to meet the costs of managing the easement at
 87.12 a level that neither significantly overrecovers nor underrecovers the costs. In determining
 87.13 the amount of the financial contribution, the board shall consider:

87.14 (1) the estimated annual staff hours needed to manage the conservation easement,
 87.15 taking into consideration factors such as easement type, size, location, and complexity;

87.16 (2) the average hourly wages for the class or classes of state and local employees
 87.17 expected to manage the easement;

87.18 (3) the estimated annual travel expenses to manage the easement;

87.19 (4) the estimated annual miscellaneous costs to manage the easement, including
 87.20 supplies and equipment, information technology support, and aerial flyovers;

87.21 (5) the estimated annualized costs of legal services, including the cost to enforce the
 87.22 easement in the event of a violation; and

87.23 (6) the expected rate of return on investments in the account.

87.24 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
 87.25 following final enactment. Subdivision 3 of this section is effective for conservation
 87.26 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
 87.27 of conservation easements by gift or as a condition of approval for wetland mitigation as
 87.28 provided in Minnesota Rules, chapter 8420, that are initiated on or after July 1, 2015.

87.29 Sec. 29. Minnesota Statutes 2014, section 103B.3355, is amended to read:

87.30 **103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC**
 87.31 **VALUES.**

87.32 (a) The public values of wetlands must be determined based upon the functions of
 87.33 wetlands for:

88.1 (1) water quality, including filtering of pollutants to surface and groundwater,
88.2 utilization of nutrients that would otherwise pollute public waters, trapping of sediments,
88.3 shoreline protection, and utilization of the wetland as a recharge area for groundwater;

88.4 (2) floodwater and storm water retention, including the potential for flooding in
88.5 the watershed, the value of property subject to flooding, and the reduction in potential
88.6 flooding by the wetland;

88.7 (3) public recreation and education, including hunting and fishing areas, wildlife
88.8 viewing areas, and nature areas;

88.9 (4) commercial uses, including wild rice and cranberry growing and harvesting
88.10 and aquaculture;

88.11 (5) fish, wildlife, native plant habitats;

88.12 (6) low-flow augmentation;

88.13 (7) carbon sequestration; and

88.14 (8) other public uses.

88.15 (b) The Board of Water and Soil Resources, in consultation with the commissioners of
88.16 natural resources and agriculture and local government units, shall adopt rules establishing:

88.17 (1) scientific methodologies for determining the functions of wetlands; and

88.18 (2) criteria for determining the resulting public values of wetlands.

88.19 (c) The methodologies and criteria established under this section or other
88.20 methodologies and criteria that include the functions in paragraph (a) and are approved
88.21 by the board, in consultation with the commissioners of natural resources and agriculture
88.22 and local government units, must be used to determine the functions and resulting public
88.23 values of wetlands in the state. The functions listed in paragraph (a) are not listed in
88.24 order of priority.

88.25 (d) Public value criteria established or approved by the board under this section do
88.26 not apply in areas subject to local comprehensive wetland protection and management
88.27 plans established under section 103G.2243.

88.28 (e) The Board of Water and Soil Resources, in consultation with the commissioners
88.29 of natural resources and agriculture and local government units, ~~may~~ must identify ~~regions~~
88.30 areas of the state where preservation, enhancement, restoration, and establishment
88.31 of wetlands would have high public value. The board, in consultation with the
88.32 commissioners, ~~may~~ must identify high priority ~~wetland regions~~ areas for wetland
88.33 replacement using available information relating to the factors listed in paragraph
88.34 (a), the historic loss and abundance of wetlands, current applicable state and local
88.35 government water management and natural resource plans, and studies using a watershed
88.36 approach to identify current and future watershed needs. The board shall notify local

89.1 units of government with water planning authority of these high priority regions areas.
 89.2 Designation of high priority areas is exempt from the rulemaking requirements of chapter
 89.3 14, and section 14.386 does not apply. Designation of high priority areas is not effective
 89.4 until 30 days after publication in the State Register.

89.5 (f) Local units of government, as part of a state-approved comprehensive local
 89.6 water management plan as defined in section 103B.3363, subdivision 3, a state-approved
 89.7 comprehensive watershed management plan as defined in section 103B.3363, subdivision
 89.8 3a, or a state-approved local comprehensive wetland protection and management plan
 89.9 under section 103G.2243, may identify priority areas for wetland replacement and provide
 89.10 them for consideration under paragraph (e).

89.11 **Sec. 30. [103F.519] WORKING LANDS WATERSHED RESTORATION**
 89.12 **PROGRAM.**

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

89.15 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

89.16 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

89.17 (d) "Board" means the Board of Water and Soil Resources.

89.18 (e) "Perennial crops" means agriculturally produced plants that are known to be
 89.19 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at
 89.20 least three years at the location where the plants are being cultivated. Biomass from alfalfa
 89.21 produced in a two-year rotation is considered a perennial crop.

89.22 Subd. 2. **Establishment.** The board shall administer a perennial feedstock program
 89.23 to incentivize the establishment and maintenance of perennial agricultural crops. The
 89.24 board shall contract with landowners and give priority to contracts that implement water
 89.25 protection actions as identified in a completed watershed restoration and protection
 89.26 strategy developed under section 114D.26.

89.27 Subd. 3. **Eligible land.** Land eligible under this section must:

89.28 (1) have been in agricultural use or have been set aside, enrolled, or diverted under
 89.29 another federal or state government program for at least two of the last five years before
 89.30 the date of application; and

89.31 (2) not be currently set aside, enrolled, or diverted under another federal or state
 89.32 government program.

89.33 Subd. 4. **Contract terms.** (a) The board shall offer a contract rate of no more
 89.34 than 90 percent of the most recent federal conservation reserve program payment for the

90.1 county in which the land is located. The board may make additional payments to assist
 90.2 with the establishment of perennial crops.

90.3 (b) Contracts must be at least ten years in duration.

90.4 (c) Perennial crops grown on lands enrolled under this section may be used for
 90.5 advanced biofuel feedstock or livestock feed. Perennial plants may be processed in a
 90.6 manner that utilizes a portion of the plant for livestock. Mechanical harvest is not allowed
 90.7 before July 1 in any year.

90.8 (d) The board shall prioritize lands with the highest potential to leverage federal
 90.9 funding.

90.10 (e) The board may establish additional contract terms.

90.11 Subd. 5. **Pilot watershed selection.** The board may select up to two watersheds in
 90.12 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds
 90.13 must have, as determined by the board:

90.14 (1) a completed watershed restoration and protection strategy developed under
 90.15 section 114D.26 or a hydrological simulation program model approved by the Pollution
 90.16 Control Agency;

90.17 (2) multiple water quality impairments resulting primarily from agricultural practices;

90.18 (3) a viable proposed advanced biofuel production facility located within 50 miles
 90.19 of the perennial feedstock grown under this section; and

90.20 (4) sufficient additional acres of cropland available for perennial crop production to
 90.21 adequately supply the proposed advanced biofuel production facility.

90.22 Sec. 31. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

90.23 Subd. 2. **Application.** (a) A wetland owner may apply to the county where a
 90.24 wetland is located for designation of a wetland preservation area in a high priority wetland
 90.25 area ~~identified in a comprehensive local water plan, as defined in section 103B.3363,~~
 90.26 ~~subdivision 3, and located within a high priority wetland region~~ designated by the Board
 90.27 of Water and Soil Resources, if the county chooses to accept wetland preservation area
 90.28 applications. The application must be made on forms provided by the board. If a wetland
 90.29 is located in more than one county, the application must be submitted to the county where
 90.30 the majority of the wetland is located.

90.31 (b) The application shall be executed and acknowledged in the manner required
 90.32 by law to execute and acknowledge a deed and must contain at least the following
 90.33 information and other information the Board of Water and Soil Resources requires:

91.1 (1) legal description of the area to be approved, which must include an upland strip
91.2 at least 16-1/2 feet in width around the perimeter of wetlands within the area and may
91.3 include total upland area of up to four acres for each acre of wetland;

91.4 (2) parcel identification numbers where designated by the county auditor;

91.5 (3) name and address of the owner;

91.6 (4) a statement by the owner covenanting that the land will be preserved as a wetland
91.7 and will only be used in accordance with conditions prescribed by the Board of Water and
91.8 Soil Resources and providing that the restrictive covenant will be binding on the owner
91.9 and the owner's successors or assigns, and will run with the land.

91.10 (c) The upland strip required in paragraph (b), clause (1), must be planted with
91.11 permanent vegetation other than a noxious weed.

91.12 Sec. 32. Minnesota Statutes 2014, section 103G.005, is amended by adding a
91.13 subdivision to read:

91.14 Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which
91.15 wetland replacement requirements of section 103G.222 are satisfied through payment of
91.16 money to the board or a board-approved sponsor to develop replacement credits according
91.17 to section 103G.2242, subdivision 12.

91.18 Sec. 33. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

91.19 Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or
91.20 partially, unless replaced by ~~restoring or creating wetland areas of~~ actions that provide
91.21 at least equal public value under a replacement plan approved as provided in section
91.22 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland
91.23 protection and management plan approved by the board under section 103G.2243, or, if a
91.24 permit to mine is required under section 93.481, under a mining reclamation plan approved
91.25 by the commissioner under the permit to mine. For project-specific wetland replacement
91.26 completed prior to wetland impacts authorized or conducted under a permit to mine within
91.27 the Great Lakes and Rainy River watershed basins, those basins shall be considered a single
91.28 watershed for purposes of determining wetland replacement ratios. Mining reclamation
91.29 plans shall apply the same principles and standards for replacing wetlands ~~by restoration~~
91.30 ~~or creation of wetland areas~~ that are applicable to mitigation plans approved as provided
91.31 in section 103G.2242. Public value must be determined in accordance with section
91.32 103B.3355 or a comprehensive wetland protection and management plan established
91.33 under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in
91.34 permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

92.1 (b) Replacement must be guided by the following principles in descending order
92.2 of priority:

92.3 (1) avoiding the direct or indirect impact of the activity that may destroy or diminish
92.4 the wetland;

92.5 (2) minimizing the impact by limiting the degree or magnitude of the wetland
92.6 activity and its implementation;

92.7 (3) rectifying the impact by repairing, rehabilitating, or restoring the affected
92.8 wetland environment;

92.9 (4) reducing or eliminating the impact over time by preservation and maintenance
92.10 operations during the life of the activity;

92.11 (5) compensating for the impact by restoring a wetland; and

92.12 (6) compensating for the impact by replacing or providing substitute wetland
92.13 resources or environments.

92.14 For a project involving the draining or filling of wetlands in an amount not exceeding
92.15 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9,
92.16 paragraph (a), the local government unit may make an on-site sequencing determination
92.17 without a written alternatives analysis from the applicant.

92.18 (c) If a wetland is located in a cultivated field, then replacement must be accomplished
92.19 through restoration only without regard to the priority order in paragraph (b), provided
92.20 that the altered wetland is not converted to a nonagricultural use for at least ten years.

92.21 (d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241,
92.22 subdivision 2, paragraph (b) or (e), the local government unit may require a deed
92.23 restriction that prohibits nonagricultural use for at least ten years. The local government
92.24 unit may require the deed restriction if it determines the wetland area drained is at risk of
92.25 conversion to a nonagricultural use within ten years based on the zoning classification,
92.26 proximity to a municipality or full service road, or other criteria as determined by the
92.27 local government unit.

92.28 (e) Restoration and replacement of wetlands must be accomplished in accordance
92.29 with the ecology of the landscape area affected and ponds that are created primarily to
92.30 fulfill storm water management, and water quality treatment requirements may not be
92.31 used to satisfy replacement requirements under this chapter unless the design includes
92.32 pretreatment of runoff and the pond is functioning as a wetland.

92.33 (f) Except as provided in paragraph (g), for a wetland or public waters wetland
92.34 located on nonagricultural land, replacement must be in the ratio of two acres of replaced
92.35 wetland for each acre of drained or filled wetland.

93.1 (g) For a wetland or public waters wetland located on agricultural land or in a greater
93.2 than 80 percent area, replacement must be in the ratio of one acre of replaced wetland
93.3 for each acre of drained or filled wetland.

93.4 (h) Wetlands that are restored or created as a result of an approved replacement plan
93.5 are subject to the provisions of this section for any subsequent drainage or filling.

93.6 (i) Except in a greater than 80 percent area, only wetlands that have been
93.7 restored from previously drained or filled wetlands, wetlands created by excavation in
93.8 nonwetlands, wetlands created by dikes or dams along public or private drainage ditches,
93.9 or wetlands created by dikes or dams associated with the restoration of previously
93.10 drained or filled wetlands may be used ~~in a statewide banking program established in for~~
93.11 wetland replacement according to rules adopted under section 103G.2242, subdivision 1.
93.12 Modification or conversion of nondegraded naturally occurring wetlands from one type to
93.13 another are not eligible for ~~enrollment in a statewide wetlands bank~~ wetland replacement.

93.14 (j) The Technical Evaluation Panel established under section 103G.2242, subdivision
93.15 2, shall ensure that sufficient time has occurred for the wetland to develop wetland
93.16 characteristics of soils, vegetation, and hydrology before recommending that the wetland
93.17 be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason
93.18 to believe that the wetland characteristics may change substantially, the panel shall
93.19 postpone its recommendation until the wetland has stabilized.

93.20 (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365
93.21 apply to the state and its departments and agencies.

93.22 (l) For projects involving draining or filling of wetlands associated with a new public
93.23 transportation project, and for projects expanded solely for additional traffic capacity,
93.24 public transportation authorities may purchase credits from the board at the cost to the
93.25 board to establish credits. Proceeds from the sale of credits provided under this paragraph
93.26 are appropriated to the board for the purposes of this paragraph. For the purposes of this
93.27 paragraph, "transportation project" does not include an airport project.

93.28 (m) A replacement plan for wetlands is not required for individual projects that
93.29 result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction,
93.30 or replacement of a currently serviceable existing state, city, county, or town public road
93.31 necessary, as determined by the public transportation authority, to meet state or federal
93.32 design or safety standards or requirements, excluding new roads or roads expanded solely
93.33 for additional traffic capacity lanes. This paragraph only applies to authorities for public
93.34 transportation projects that:

93.35 (1) minimize the amount of wetland filling or draining associated with the project
93.36 and consider mitigating important site-specific wetland functions on site;

94.1 (2) except as provided in clause (3), submit project-specific reports to the board, the
94.2 Technical Evaluation Panel, the commissioner of natural resources, and members of the
94.3 public requesting a copy at least 30 days prior to construction that indicate the location,
94.4 amount, and type of wetlands to be filled or drained by the project or, alternatively,
94.5 convene an annual meeting of the parties required to receive notice to review projects to
94.6 be commenced during the upcoming year; and

94.7 (3) for minor and emergency maintenance work impacting less than 10,000 square
94.8 feet, submit project-specific reports, within 30 days of commencing the activity, to the board
94.9 that indicate the location, amount, and type of wetlands that have been filled or drained.

94.10 Those required to receive notice of public transportation projects may appeal
94.11 minimization, delineation, and on-site mitigation decisions made by the public
94.12 transportation authority to the board according to the provisions of section 103G.2242,
94.13 subdivision 9. The Technical Evaluation Panel shall review minimization and delineation
94.14 decisions made by the public transportation authority and provide recommendations
94.15 regarding on-site mitigation if requested to do so by the local government unit, a
94.16 contiguous landowner, or a member of the Technical Evaluation Panel.

94.17 Except for state public transportation projects, for which the state Department of
94.18 Transportation is responsible, the board must replace the wetlands, and wetland areas of
94.19 public waters if authorized by the commissioner or a delegated authority, drained or filled
94.20 by public transportation projects on existing roads.

94.21 Public transportation authorities at their discretion may deviate from federal and
94.22 state design standards on existing road projects when practical and reasonable to avoid
94.23 wetland filling or draining, provided that public safety is not unreasonably compromised.
94.24 The local road authority and its officers and employees are exempt from liability for
94.25 any tort claim for injury to persons or property arising from travel on the highway and
94.26 related to the deviation from the design standards for construction or reconstruction under
94.27 this paragraph. This paragraph does not preclude an action for damages arising from
94.28 negligence in construction or maintenance on a highway.

94.29 (n) If a landowner seeks approval of a replacement plan after the proposed project
94.30 has already affected the wetland, the local government unit may require the landowner to
94.31 replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise
94.32 required.

94.33 (o) A local government unit may request the board to reclassify a county or
94.34 watershed on the basis of its percentage of presettlement wetlands remaining. After
94.35 receipt of satisfactory documentation from the local government, the board shall change
94.36 the classification of a county or watershed. If requested by the local government unit,

95.1 the board must assist in developing the documentation. Within 30 days of its action to
 95.2 approve a change of wetland classifications, the board shall publish a notice of the change
 95.3 in the Environmental Quality Board Monitor.

95.4 (p) One hundred citizens who reside within the jurisdiction of the local government
 95.5 unit may request the local government unit to reclassify a county or watershed on the basis
 95.6 of its percentage of presettlement wetlands remaining. In support of their petition, the
 95.7 citizens shall provide satisfactory documentation to the local government unit. The local
 95.8 government unit shall consider the petition and forward the request to the board under
 95.9 paragraph (o) or provide a reason why the petition is denied.

95.10 Sec. 34. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

95.11 Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent
 95.12 area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted
 95.13 wetlands in a less than 50 percent area must be replaced in a less than 50 percent area.

95.14 All wetland replacement must follow this priority order:

95.15 (1) on site or in the same minor watershed as the impacted wetland;

95.16 (2) in the same watershed as the impacted wetland;

95.17 (3) in the same county or wetland bank service area as the impacted wetland; and

95.18 (4) in another wetland bank service area; and

95.19 ~~(5) statewide for public transportation projects, except that wetlands impacted in~~
 95.20 ~~less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands~~
 95.21 ~~impacted in the seven-county metropolitan area must be replaced at a ratio of two to one in:~~
 95.22 ~~(i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one~~
 95.23 ~~of the major watersheds that are wholly or partially within the seven-county metropolitan~~
 95.24 ~~area, but at least one to one must be replaced within the seven-county metropolitan area.~~

95.25 ~~(b) The exception in paragraph (a), clause (5), does not apply to replacement~~
 95.26 ~~completed using wetland banking credits established by a person who submitted a~~
 95.27 ~~complete wetland banking application to a local government unit by April 1, 1996.~~

95.28 (b) Notwithstanding paragraph (a), wetland banking credits approved according to
 95.29 a complete wetland banking application submitted to a local government unit by April
 95.30 1, 1996, may be used to replace wetland impacts resulting from public transportation
 95.31 projects statewide.

95.32 (c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for
 95.33 replacement by wetland banking begins at paragraph (a), clause (3), according to rules
 95.34 adopted under section 103G.2242, subdivision 1.

96.1 (e) (d) When reasonable, practicable, and environmentally beneficial replacement
 96.2 opportunities are not available in siting priorities listed in paragraph (a), the applicant
 96.3 may seek opportunities at the next level.

96.4 (d) (e) For the purposes of this section, "reasonable, practicable, and environmentally
 96.5 beneficial replacement opportunities" are defined as opportunities that:

96.6 (1) take advantage of naturally occurring hydrogeomorphological conditions and
 96.7 require minimal landscape alteration;

96.8 (2) have a high likelihood of becoming a functional wetland that will continue
 96.9 in perpetuity;

96.10 (3) do not adversely affect other habitat types or ecological communities that are
 96.11 important in maintaining the overall biological diversity of the area; and

96.12 (4) are available and capable of being done after taking into consideration cost,
 96.13 existing technology, and logistics consistent with overall project purposes.

96.14 (e) Applicants and local government units shall rely on board-approved
 96.15 comprehensive inventories of replacement opportunities and watershed conditions,
 96.16 including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January
 96.17 2010), in determining whether reasonable, practicable, and environmentally beneficial
 96.18 replacement opportunities are available.

96.19 (f) Regulatory agencies, local government units, and other entities involved in
 96.20 wetland restoration shall collaborate to identify potential replacement opportunities within
 96.21 their jurisdictional areas.

96.22 (g) The board must establish wetland replacement ratios and wetland bank service
 96.23 area priorities to implement the siting and targeting of wetland replacement and encourage
 96.24 the use of high priority areas for wetland replacement.

96.25 Sec. 35. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to
 96.26 read:

96.27 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall
 96.28 adopt rules governing the approval of wetland value replacement plans under this section
 96.29 and public waters work permits affecting public waters wetlands under section 103G.245.
 96.30 These rules must address the criteria, procedure, timing, and location of acceptable
 96.31 replacement of wetland values; and may address the state establishment and administration
 96.32 of a wetland banking program for public and private projects, ~~which may include~~ including
 96.33 provisions allowing monetary payment to the wetland banking program for alteration of
 96.34 wetlands on agricultural land for an in-lieu fee program; the administrative, monitoring, and
 96.35 enforcement procedures to be used; and a procedure for the review and appeal of decisions

97.1 under this section. In the case of peatlands, the replacement plan rules must consider the
 97.2 impact on carbon ~~balance described in the report required by Laws 1990, chapter 587, and~~
 97.3 ~~include the planting of trees or shrubs.~~ Any in-lieu fee program established by the board
 97.4 must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

97.5 (b) After the adoption of the rules, a replacement plan must be approved by a
 97.6 resolution of the governing body of the local government unit, consistent with the
 97.7 provisions of the rules or a comprehensive wetland protection and management plan
 97.8 approved under section 103G.2243.

97.9 (c) If the local government unit fails to apply the rules, or fails to implement a
 97.10 local comprehensive wetland protection and management plan established under section
 97.11 103G.2243, the government unit is subject to penalty as determined by the board.

97.12 Sec. 36. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to
 97.13 read:

97.14 Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size,
 97.15 or type of a wetland shall be submitted to and determined by a Technical Evaluation
 97.16 Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of
 97.17 a technical professional employee of the board, a technical professional employee of
 97.18 the local soil and water conservation district or districts, a technical professional with
 97.19 expertise in water resources management appointed by the local government unit, and
 97.20 a technical professional employee of the Department of Natural Resources for projects
 97.21 affecting public waters or wetlands adjacent to public waters. The panel shall use the
 97.22 "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987),
 97.23 including updates, supplementary guidance, and replacements, if any, "Wetlands of
 97.24 the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition),
 97.25 and "Classification of Wetlands and Deepwater Habitats of the United States" (1979
 97.26 edition). The panel shall provide the wetland determination and recommendations on
 97.27 other technical matters to the local government unit that must approve a replacement plan,
 97.28 ~~wetland banking plan sequencing,~~ exemption determination, no-loss determination, or
 97.29 wetland boundary or type determination and may recommend approval or denial of the
 97.30 plan. The authority must consider and include the decision of the Technical Evaluation
 97.31 Panel in their approval or denial of a plan or determination.

97.32 (b) Persons conducting wetland or public waters boundary delineations or type
 97.33 determinations are exempt from the requirements of chapter 326. The board may develop
 97.34 a professional wetland delineator certification program.

98.1 (c) The board must establish an interagency team to assist in identifying and
 98.2 evaluating potential wetland replacement sites. The team must consist of members
 98.3 of the Technical Evaluation Panel and representatives from the Department of Natural
 98.4 Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St.
 98.5 Paul district; and other organizations as determined by the board.

98.6 Sec. 37. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to
 98.7 read:

98.8 Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be
 98.9 completed prior to or concurrent with the actual draining or filling of a wetland, unless:

98.10 (1) an irrevocable bank letter of credit or other ~~security~~ financial assurance
 98.11 acceptable to the local government unit or the board is given to the local government unit
 98.12 or the board to guarantee the successful completion of the replacement; or

98.13 (2) the replacement is approved under an in-lieu fee program according to rules
 98.14 adopted under subdivision 1. In the case of an in-lieu fee program established by a
 98.15 board-approved sponsor, the board may require that a financial assurance in an amount
 98.16 and method acceptable to the board be given to the board to ensure the approved sponsor
 98.17 fulfills the sponsor's obligation to complete the required wetland replacement.

98.18 ~~The board may establish, sponsor, or administer a wetland banking program, which~~
 98.19 ~~may include provisions allowing monetary payment to the wetland bank for impacts to~~
 98.20 ~~wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and~~
 98.21 ~~for public road projects.~~ (b) The board may acquire land in fee title, purchase or accept
 98.22 easements, enter into agreements, and purchase existing wetland replacement credits to
 98.23 facilitate the wetland banking program. The board may establish in-lieu fee payment
 98.24 amounts and hold money in an account in the special revenue fund, which is appropriated
 98.25 to the board to be used solely for establishing replacement wetlands and administering the
 98.26 wetland banking program.

98.27 (c) The board shall coordinate the establishment and operation of a wetland bank
 98.28 with the United States Army Corps of Engineers, the Natural Resources Conservation
 98.29 Service of the United States Department of Agriculture, and the commissioners of natural
 98.30 resources, agriculture, and the Pollution Control Agency.

98.31 Sec. 38. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to
 98.32 read:

98.33 Subd. 4. **Decision.** Upon receiving and considering all required data, the local
 98.34 government unit reviewing replacement plan applications, banking plan sequencing

99.1 applications, and exemption or no-loss determination requests must act on all replacement
 99.2 plan applications, ~~banking plan~~ sequencing applications, and exemption or no-loss
 99.3 determination requests in compliance with section 15.99.

99.4 Sec. 40. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to
 99.5 read:

99.6 Subd. 12. **Replacement credits.** (a) No public or private wetland restoration,
 99.7 enhancement, or construction may be allowed for replacement unless specifically
 99.8 designated for replacement and paid for by the individual or organization performing the
 99.9 wetland restoration, enhancement, or construction, ~~and is completed prior to any draining~~
 99.10 ~~or filling of the wetland.~~

99.11 (b) Paragraph (a) does not apply to a wetland whose owner has paid back with
 99.12 interest the individual or organization restoring, enhancing, or constructing the wetland.

99.13 (c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following
 99.14 actions, and others established in rule, that are consistent with criteria in rules adopted by
 99.15 the board in conjunction with the commissioners of natural resources and agriculture, are
 99.16 eligible for replacement credit as determined by the local government unit or the board,
 99.17 including enrollment in a statewide wetlands bank:

99.18 (1) reestablishment of permanent native, noninvasive vegetative cover on a wetland
 99.19 on agricultural land that was planted with annually seeded crops, was in a crop rotation
 99.20 seeding of pasture grasses or legumes, or was in a land retirement program during the
 99.21 past ten years;

99.22 (2) buffer areas of permanent native, noninvasive vegetative cover established or
 99.23 preserved on upland adjacent to replacement wetlands;

99.24 (3) wetlands restored for conservation purposes under terminated easements or
 99.25 contracts; ~~and~~

99.26 (4) water quality treatment ponds constructed to pretreat storm water runoff prior
 99.27 to discharge to wetlands, public waters, or other water bodies, provided that the water
 99.28 quality treatment ponds must be associated with an ongoing or proposed project that
 99.29 will impact a wetland and replacement credit for the treatment ponds is based on the
 99.30 replacement of wetland functions and on an approved storm water management plan for
 99.31 the local government; and

99.32 (5) in a greater than 80 percent area, restoration and protection of streams and
 99.33 riparian buffers that are important to the functions and sustainability of aquatic resources.

100.1 (d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the
100.2 board may establish by rule different replacement ratios for restoration projects with
100.3 exceptional natural resource value.

100.4 Sec. 41. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to
100.5 read:

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

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

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

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

100.13 (b) The board may establish fees at or below the amounts in paragraph (a) for
100.14 single-user or other dedicated wetland banking accounts.

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

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

100.22 Sec. 42. Minnesota Statutes 2014, section 103G.2242, subdivision 15, is amended to
100.23 read:

100.24 Subd. 15. **Fees paid to board.** All fees established in subdivisions 9 and 14 must
100.25 be paid to the Board of Water and Soil Resources and are annually appropriated to the
100.26 board for the purpose of administration of the wetland bank and to process appeals
100.27 under ~~section 103G.2242~~, subdivision 9. One-half of the fees collected for wetland bank
100.28 credit withdrawals under subdivision 14, paragraph (a), clause (3), or alternative fees
100.29 for wetland bank credit withdrawal under subdivision 14, paragraph (b), must be paid
100.30 to the county where the property for wetland credit is located. The amount paid to the
100.31 county must be distributed as follows: one-third to the school district; one-third to the
100.32 city or organized township; and one-third to the county. If the property is located in an
100.33 unorganized township, the county retains the township share.

101.1 Sec. 43. Minnesota Statutes 2014, section 103G.2251, is amended to read:

101.2 **103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK**
101.3 **CREDIT.**

101.4 In greater than 80 percent areas, preservation of wetlands, riparian buffers, and
101.5 watershed areas essential to maintaining important functions and sustainability of aquatic
101.6 resources in the watershed that are protected by a permanent conservation easement
101.7 as defined under section 84C.01 and held by the board may be eligible for wetland
101.8 replacement or mitigation credits, according to rules adopted by the board. To be eligible
101.9 for credit under this section, a conservation easement must be established after May 24,
101.10 2008, and approved by the board. Wetland areas on private lands preserved under this
101.11 section are not eligible for replacement or mitigation credit if the area has been protected
101.12 using public conservation funds.

101.13 Sec. 44. Minnesota Statutes 2014, section 115A.1415, subdivision 16, is amended to
101.14 read:

101.15 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual
101.16 producer submitting a stewardship plan shall pay an annual administrative fee to the
101.17 commissioner. The agency may establish a variable fee based on relevant factors,
101.18 including, but not limited to, the portion of architectural paint sold in the state by members
101.19 of the organization compared to the total amount of architectural paint sold in the state by
101.20 all organizations submitting a stewardship plan.

101.21 (b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall
101.22 identify the costs it incurs under this section. The agency shall set the fee at an amount
101.23 that, when paid by every stewardship organization or individual producer that submits a
101.24 stewardship plan, is adequate to reimburse the agency's full costs of administering this
101.25 section. The total amount of annual fees collected under this subdivision must not exceed
101.26 the amount necessary to reimburse costs incurred by the agency to administer this section.

101.27 (c) A stewardship organization or individual producer subject to this subdivision
101.28 must pay the agency's administrative fee under paragraph (a) on or before July 1, 2014,
101.29 and annually thereafter. Each year after the initial payment, the annual administrative fee
101.30 may not exceed five percent of the aggregate stewardship assessment added to the cost of
101.31 all architectural paint sold by producers in the state for the preceding calendar year.

101.32 (d) All fees received under this section shall be deposited in the state treasury and
101.33 credited to a product stewardship account in the special revenue fund. For fiscal years
101.34 2014 ~~and~~, 2015, 2016, and 2017, the amount collected under this section is annually
101.35 appropriated to the agency to implement and enforce this section.

102.1 Sec. 45. Minnesota Statutes 2014, section 115A.557, subdivision 2, is amended to read:

102.2 Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money
102.3 distributed by the commissioner under this section may use the money only for the
102.4 development and implementation of programs to:

102.5 (1) reduce the amount of solid waste generated;

102.6 (2) recycle the maximum amount of solid waste technically feasible;

102.7 (3) create and support markets for recycled products;

102.8 (4) remove problem materials from the solid waste stream and develop proper
102.9 disposal options for them;

102.10 (5) inform and educate all sectors of the public about proper solid waste management
102.11 procedures;

102.12 (6) provide technical assistance to public and private entities to ensure proper solid
102.13 waste management;

102.14 (7) provide educational, technical, and financial assistance for litter prevention;

102.15 (8) process mixed municipal solid waste generated in the county at a resource
102.16 recovery facility located in Minnesota; ~~and~~

102.17 (9) compost source-separated compostable materials, including the provision of
102.18 receptacles for residential composting;

102.19 (10) prevent food waste or collect and transport food donated to humans or to be
102.20 fed to animals; and

102.21 (11) process source-separated compostable materials that are to be used to produce
102.22 Class I or Class II compost, as defined in Minnesota Rules, part 7035.2836, after being
102.23 processed in an anaerobic digester, but not to construct buildings or acquire equipment.

102.24 (b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed
102.25 by the commissioner under this section to a metropolitan county, as defined in section
102.26 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under
102.27 this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in
102.28 paragraph (a), ~~clause~~ clauses (9) to (11); and (2) the remainder must be expended on
102.29 activities in paragraph (a), clauses (1) to (7) and (9) to (11) that advance the county toward
102.30 achieving its recycling goal under section 115A.551.

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

102.32 Sec. 46. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

102.33 Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater
102.34 than those necessary to cover the reasonable costs of developing, reviewing, and acting
102.35 upon applications for agency permits and implementing and enforcing the conditions of

103.1 the permits pursuant to agency rules. Permit fees shall not include the costs of litigation.
103.2 The fee schedule must reflect reasonable and routine direct and indirect costs associated
103.3 with permitting, implementation, and enforcement. The agency may impose an additional
103.4 enforcement fee to be collected for a period of up to two years to cover the reasonable costs
103.5 of implementing and enforcing the conditions of a permit under the rules of the agency.
103.6 Any money collected under this paragraph shall be deposited in the environmental fund.

103.7 (b) Notwithstanding paragraph (a), the agency shall collect an annual fee from
103.8 the owner or operator of all stationary sources, emission facilities, emissions units, air
103.9 contaminant treatment facilities, treatment facilities, potential air contaminant storage
103.10 facilities, or storage facilities ~~subject to the requirement to obtain a permit a notification,~~
103.11 ~~permit, or license requirement under subchapter~~ this chapter, subchapters I and V of
103.12 the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section
103.13 ~~116-081~~ or rules adopted thereunder. The annual fee shall be used to pay for all direct
103.14 and indirect reasonable costs, including ~~attorney general~~ legal costs, required to develop
103.15 and administer the notification, permit, or license program requirements of ~~subchapter~~
103.16 this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title
103.17 42, section 7401 et seq., and sections of this chapter and the or rules adopted under
103.18 ~~this chapter related to air contamination and noise~~ thereunder. Those costs include the
103.19 reasonable costs of reviewing and acting upon an application for a permit; implementing
103.20 and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient,
103.21 and deposition monitoring; preparing generally applicable regulations; responding to
103.22 federal guidance; modeling, analyses, and demonstrations; preparing inventories and
103.23 tracking emissions; and providing information to the public about these activities.

103.24 (c) The agency shall set fees that:

103.25 (1) will result in the collection, in the aggregate, from the sources listed in paragraph
103.26 (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant
103.27 regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112
103.28 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a
103.29 national primary ambient air quality standard has been promulgated;

103.30 (2) may result in the collection, in the aggregate, from the sources listed in paragraph
103.31 (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is
103.32 regulated under this chapter or air quality rules adopted under this chapter; and

103.33 (3) shall collect, in the aggregate, from the sources listed in paragraph (b), the
103.34 amount needed to match grant funds received by the state under United States Code, title
103.35 42, section 7405 (section 105 of the federal Clean Air Act).

104.1 The agency must not include in the calculation of the aggregate amount to be collected
104.2 under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant
104.3 from a source. The increase in air permit fees to match federal grant funds shall be a
104.4 surcharge on existing fees. The commissioner may not collect the surcharge after the grant
104.5 funds become unavailable. In addition, the commissioner shall use nonfee funds to the
104.6 extent practical to match the grant funds so that the fee surcharge is minimized.

104.7 (d) To cover the reasonable costs described in paragraph (b), the agency shall
104.8 provide in the rules promulgated ~~under paragraph (e) to implement paragraphs (b) and~~
104.9 (c) for an increase in the fee collected in each year by the percentage, if any, by which
104.10 the Consumer Price Index for the most recent calendar year ending before the beginning
104.11 of the year the fee is collected exceeds the Consumer Price Index for the calendar year
104.12 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is
104.13 the average of the Consumer Price Index for all-urban consumers published by the United
104.14 States Department of Labor, as of the close of the 12-month period ending on August 31
104.15 of each calendar year. The revision of the Consumer Price Index that is most consistent
104.16 with the Consumer Price Index for calendar year 1989 shall be used.

104.17 (e) Any money collected under ~~paragraphs (b) to (d)~~ this subdivision must be
104.18 deposited in the environmental fund and must be used solely for the activities listed in
104.19 paragraph (b).

104.20 (f) Permit applicants who wish to construct, reconstruct, or modify a facility may
104.21 offer to reimburse the agency for the costs of staff time or consultant services needed to
104.22 expedite the permit development process, including the analysis of environmental review
104.23 documents. The reimbursement shall be in addition to permit application fees imposed by
104.24 law. When the agency determines that it needs additional resources to develop the permit
104.25 application in an expedited manner, and that expediting the development is consistent with
104.26 permitting program priorities, the agency may accept the reimbursement. Reimbursements
104.27 accepted by the agency are appropriated to the agency for the purpose of developing
104.28 the permit or analyzing environmental review documents. Reimbursement by a permit
104.29 applicant shall precede and not be contingent upon issuance of a permit; shall not affect
104.30 the agency's decision on whether to issue or deny a permit, what conditions are included
104.31 in a permit, or the application of state and federal statutes and rules governing permit
104.32 determinations; and shall not affect final decisions regarding environmental review.

104.33 (g) The fees under this subdivision are exempt from section 16A.1285.

104.34 Sec. 47. Minnesota Statutes 2014, section 116.9401, is amended to read:

104.35 **116.9401 DEFINITIONS.**

105.1 (a) For the purposes of sections 116.9401 to ~~116.9407~~ 116.9411, the following terms
105.2 have the meanings given them.

105.3 (b) "Agency" means the Pollution Control Agency.

105.4 (c) "Alternative" means a substitute process, product, material, chemical, strategy,
105.5 or combination of these that is technically feasible and serves a functionally equivalent
105.6 purpose to a chemical in a children's product.

105.7 (d) "Chemical" means a substance with a distinct molecular composition or a group
105.8 of structurally related substances and includes the breakdown products of the substance or
105.9 substances that form through decomposition, degradation, or metabolism.

105.10 (e) "Chemical of high concern" means a chemical identified on the basis of credible
105.11 scientific evidence by a state, federal, or international agency as being known or suspected
105.12 with a high degree of probability to:

105.13 (1) harm the normal development of a fetus or child or cause other developmental
105.14 toxicity;

105.15 (2) cause cancer, genetic damage, or reproductive harm;

105.16 (3) disrupt the endocrine or hormone system;

105.17 (4) damage the nervous system, immune system, or organs, or cause other systemic
105.18 toxicity;

105.19 (5) be persistent, bioaccumulative, and toxic; or

105.20 (6) be very persistent and very bioaccumulative.

105.21 (f) "Child" means a person under 12 years of age.

105.22 (g) "Children's product" means a consumer product intended for use by children,
105.23 such as baby products, toys, car seats, personal care products, and clothing.

105.24 (h) "Commissioner" means the commissioner of the Pollution Control Agency.

105.25 (i) "Contaminant" means a trace amount of a chemical that is incidental to
105.26 manufacturing and serves no intended function in the product component. Contaminant
105.27 includes, but is not limited to, unintended by-products of chemical reactions that
105.28 occur during the manufacture of the product component, trace impurities in feedstock,
105.29 incompletely reacted chemical mixtures, and degradation products.

105.30 (j) "Department" means the Department of Health.

105.31 ~~(j)~~ (k) "Distributor" means a person who sells consumer products to retail
105.32 establishments on a wholesale basis.

105.33 ~~(k)~~ (l) "Green chemistry" means an approach to designing and manufacturing
105.34 products that minimizes the use and generation of toxic substances.

105.35 ~~(l)~~ (m) "Manufacturer" means any person who manufactures a final consumer
105.36 product sold at retail or whose brand name is affixed to the consumer product. In the

106.1 case of a consumer product imported into the United States, manufacturer includes the
106.2 importer or domestic distributor of the consumer product if the person who manufactured
106.3 or assembled the consumer product or whose brand name is affixed to the consumer
106.4 product does not have a presence in the United States.

106.5 (n) "Practical quantification limit" means the lowest concentration of a chemical that
106.6 can be reliably measured within specified limits of precision, accuracy, representativeness,
106.7 completeness, and comparability under routine laboratory operating conditions, the value
106.8 of which:

106.9 (1) is based on scientifically defensible, standard analytical methods;

106.10 (2) may vary depending on the matrix and analytical method used; and

106.11 (3) will be determined jointly by the agency and the department, taking into
106.12 consideration practical quantification limits established by federal or state agencies.

106.13 ~~(m)~~ (o) "Priority chemical" means a chemical identified by the Department of Health
106.14 as a chemical of high concern that meets the criteria in section 116.9403.

106.15 ~~(n)~~ (p) "Product category" means the brick level of the GS1 Global Product
106.16 Classification (GPC) standard, which identifies products that serve a common purpose, are
106.17 of a similar form and material, and share the same set of category attributes.

106.18 (q) "Safer alternative" means an alternative whose potential to harm human health is
106.19 less than that of the use of a priority chemical that it could replace.

106.20 **EFFECTIVE DATE.** This section is effective July 1, 2016.

106.21 Sec. 48. Minnesota Statutes 2014, section 116.9402, is amended to read:

106.22 **116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.**

106.23 (a) By July 1, 2010, the department shall, after consultation with the agency,
106.24 generate a list of chemicals of high concern.

106.25 (b) The department must periodically review and revise the list of chemicals of
106.26 high concern at least every three years. The department may add chemicals to the list if
106.27 the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any
106.28 changes to the list of chemicals of high concern must be published on the department's
106.29 Web site and in the State Register when a change is made.

106.30 (c) The department shall consider chemicals listed as a suspected carcinogen,
106.31 reproductive or developmental toxicant, or as being persistent, bioaccumulative, and
106.32 toxic, or very persistent and very bioaccumulative by a state, federal, or international
106.33 agency. These agencies may include, but are not limited to, the California Environmental
106.34 Protection Agency, the Washington Department of Ecology, the United States Department

107.1 of Health, the United States Environmental Protection Agency, the United Nation's World
107.2 Health Organization, and European Parliament Annex XIV concerning the Registration,
107.3 Evaluation, Authorisation, and Restriction of Chemicals.

107.4 (d) The department may consider chemicals listed by another state as harmful to
107.5 human health or the environment for possible inclusion in the list of chemicals of high
107.6 concern.

107.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

107.8 Sec. 49. Minnesota Statutes 2014, section 116.9403, is amended to read:

107.9 **116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.**

107.10 (a) The department, after consultation with the agency, may designate a chemical of
107.11 high concern as a priority chemical if the department finds that the chemical:

107.12 (1) has been identified as a high-production volume chemical by the United States
107.13 Environmental Protection Agency; and

107.14 (2) meets any of the following criteria:

107.15 (i) the chemical has been found through biomonitoring to be present in human blood,
107.16 including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

107.17 (ii) the chemical has been found through sampling and analysis to be present in
107.18 household dust, indoor air, drinking water, or elsewhere in the home environment; or

107.19 (iii) the chemical has been found through monitoring to be present in fish, wildlife,
107.20 or the natural environment.

107.21 (b) By February 1, 2011, the department shall publish a list of priority chemicals in
107.22 the State Register and on the department's Internet Web site and shall update the published
107.23 list whenever a new priority chemical is designated. Any proposed changes to the list of
107.24 priority chemicals must be published on the department's Web site and in the State Register
107.25 and is subject to a minimum 60-day public comment period. After the department's
107.26 review and consideration of public comments, a final list of changes to the list of priority
107.27 chemicals must be published on the department's Web site and in the State Register.

107.28 **EFFECTIVE DATE.** This section is effective July 1, 2016.

107.29 Sec. 50. Minnesota Statutes 2014, section 116.9405, is amended to read:

107.30 **116.9405 APPLICABILITY.**

107.31 The requirements of sections 116.9401 to ~~116.9407~~ 116.9411 do not apply to:

107.32 (1) chemicals in used children's products;

- 108.1 (2) priority chemicals used in the manufacturing process, but that are not present
108.2 in the final product;
- 108.3 (3) priority chemicals used in agricultural production;
- 108.4 (4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter
108.5 86B or their component parts, except that the use of priority chemicals in detachable
108.6 car seats is not exempt;
- 108.7 (5) priority chemicals generated solely as combustion by-products or that are present
108.8 in combustible fuels;
- 108.9 (6) retailers, except if a retailer is also the producer, manufacturer, importer, or
108.10 domestic distributor of a children's product containing a priority chemical or the retailer's
108.11 brand name is affixed to a children's product containing a priority chemical;
- 108.12 (7) pharmaceutical products or biologics;
- 108.13 (8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United
108.14 States Code, title 21, section 321(h);
- 108.15 (9) food and food or beverage packaging, except a container containing baby food
108.16 or infant formula;
- 108.17 (10) consumer electronics products and electronic components, including but not
108.18 limited to personal computers; audio and video equipment; calculators; digital displays;
108.19 wireless phones; cameras; game consoles; printers; and handheld electronic and electrical
108.20 devices used to access interactive software or their associated peripherals; or products that
108.21 comply with the provisions of directive 2002/95/EC of the European Union, adopted by
108.22 the European Parliament and Council of the European Union now or hereafter in effect; ~~or~~
- 108.23 (11) outdoor sport equipment, including snowmobiles as defined in section 84.81,
108.24 subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal
108.25 watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section
108.26 86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787,
108.27 subdivision 7, and all attachments and repair parts for all of this equipment;
- 108.28 (12) a manufacturer or distributor of a children's product whose annual aggregate
108.29 gross sales, both within and outside this state, as reported in the manufacturer's or
108.30 distributor's most recently filed federal tax return, is below \$100,000; or
- 108.31 (13) a children's product if the annual production of the children's product is less
108.32 than 3,000 units.

108.33 **EFFECTIVE DATE.** This section is effective July 1, 2016.

109.1 Sec. 51. Minnesota Statutes 2014, section 116.9406, is amended to read:

109.2 **116.9406 DONATIONS TO THE STATE.**

109.3 The commissioner may accept donations, grants, and other funds to carry out the
 109.4 purposes of sections 116.9401 to ~~116.9407~~ 116.9411. All donations, grants, and other
 109.5 funds must be accepted without preconditions regarding the outcomes of the regulatory
 109.6 oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9411.

109.7 **EFFECTIVE DATE.** This section is effective July 1, 2016.

109.8 Sec. 52. **[116.9408] CHILDREN'S PRODUCTS; REPORTING INFORMATION**
 109.9 **ON PRIORITY CHEMICALS.**

109.10 **Subdivision 1. Reporting; content.** A manufacturer or distributor of a children's
 109.11 product offered for sale in this state that contains one or more priority chemicals
 109.12 designated under section 116.9403 must, unless the children's product is exempt under
 109.13 section 116.9405, provide the following information to the agency, on a form developed by
 109.14 the agency, for each priority chemical that is intentionally added to the children's product
 109.15 and present at or above the practical quantification limit or that is a contaminant present in
 109.16 a component of the children's product at a concentration above 100 parts per million:

109.17 (1) the name of the priority chemical;

109.18 (2) the Chemical Abstracts Service Registry number of the priority chemical;

109.19 (3) the concentration of each priority chemical contained in a children's product, a
 109.20 description of how the concentration was determined, and an evaluation of the accuracy
 109.21 of the determination. Concentrations at or above the practical quantification limit must
 109.22 be reported, but may be reported in the following ranges:

109.23 (i) greater than or equal to the practical quantification limit but less than 100 parts
 109.24 per million (ppm);

109.25 (ii) greater than or equal to 100 ppm but less than 500 ppm;

109.26 (iii) greater than or equal to 500 ppm but less than 1,000 ppm;

109.27 (iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;

109.28 (v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and

109.29 (vi) greater than or equal to 10,000 ppm;

109.30 (4) the product category of the children's product;

109.31 (5) the number of units of the children's product sold in Minnesota or nationally in
 109.32 the most recently completed calendar year;

110.1 (6) information that the agency determines is necessary to determine the extent to
110.2 which a child is likely to be exposed to the priority chemical through normal use of the
110.3 product;

110.4 (7) any assessment conducted by the manufacturer or distributor of the children's
110.5 product or others regarding the use of safer alternatives to the priority chemical contained
110.6 in the children's product; and

110.7 (8) any additional information requested by the agency.

110.8 Subd. 2. **Report timing.** (a) A manufacturer or distributor subject to this section
110.9 must report the information required under this section to the agency no later than one
110.10 year after a priority chemical has been designated under section 116.9403 or, for a priority
110.11 chemical designated under section 116.9403 before July 1, 2011, on the following
110.12 schedule based on the manufacturer's or distributor's annual aggregate gross sales, both
110.13 within and outside the state, as reported in the manufacturer's or distributor's most recently
110.14 filed federal tax return:

110.15 (1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, by
110.16 July 1, 2018;

110.17 (2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but
110.18 less than or equal to \$1,000,000,000, by January 1, 2019;

110.19 (3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but
110.20 less than or equal to \$250,000,000, by July 1, 2019;

110.21 (4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but less
110.22 than or equal to \$100,000,000, by July 1, 2020; and

110.23 (5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less
110.24 than or equal to \$5,000,000, by July 1, 2021.

110.25 (b) Two years after submitting an initial report to the agency under this section,
110.26 a manufacturer or distributor of a children's product offered for sale in this state that
110.27 continues to contain one or more priority chemicals must submit an updated report
110.28 containing the information required under subdivision 1 and the 12-digit Universal
110.29 Product Code for the children's product. If the children's product continues to be offered
110.30 for sale in this state and to contain the priority chemical, the information required under
110.31 this paragraph must be submitted to the agency every two years.

110.32 Subd. 3. **Public data.** Notwithstanding section 13.37, subdivision 2, the presence
110.33 and concentration of a priority chemical in a specific children's product reported to the
110.34 agency under this section are classified as public data.

110.35 Subd. 4. **Not misappropriation of trade secret.** Notwithstanding section 325C.01,
110.36 subdivision 3, publication by the agency of the presence and concentration of a priority

111.1 chemical in a specific children's product reported to the agency under this section is not
111.2 misappropriation of a trade secret.

111.3 Subd. 5. **Removal of priority chemical; reporting.** A manufacturer or distributor
111.4 who removes a priority chemical from a children's product reported under this section
111.5 must notify the agency of the removal at the earliest possible date. If the priority
111.6 chemical removed is replaced by a safer alternative, the manufacturer or distributor
111.7 must provide, on a form developed by the agency, the name of the safer alternative
111.8 and its Chemical Abstracts Service Registry number or, if not replaced by a chemical
111.9 alternative, a description of the techniques or design changes implemented. The safer
111.10 alternative or nonchemical techniques or design changes may be designated as trade
111.11 secrets. Upon verification that all priority chemicals in the product have been replaced by
111.12 safer alternatives, the commissioner must promptly remove from state agency Web sites
111.13 any reference to the relevant children's product of the manufacturer, and the manufacturer
111.14 will no longer report or pay fees on that children's product.

111.15 Subd. 6. **Failure to report.** If the information required in this section is not
111.16 submitted in a timely fashion or is incomplete or otherwise unacceptable as determined
111.17 by the agency, the agency may contract with an independent third party of the agency's
111.18 choice to provide the information and may assess a fee on the manufacturer or distributor
111.19 to pay the costs specified under section 116.9409.

111.20 **EFFECTIVE DATE.** This section is effective July 1, 2016.

111.21 Sec. 53. **[116.9409] FEES.**

111.22 (a) The agency shall collect a fee of \$1,000 for each priority chemical initially
111.23 reported under section 116.9408. The fee increases by \$1,000 for each report subsequently
111.24 filed with the agency under section 116.9408 for the same chemical contained in the same
111.25 children's product category, up to a maximum of \$3,000.

111.26 (b) The agency shall collect a fee equal to the costs billed by the independent
111.27 contractor plus the agency's actual incurred costs to bid and administer the contract for
111.28 each contract issued under section 116.9408, subdivision 6.

111.29 (c) The commissioner shall deposit all fees received under this section in an account
111.30 in the special revenue fund.

111.31 (d) Fees collected under this section are exempt from section 16A.1285.

111.32 **EFFECTIVE DATE.** This section is effective July 1, 2016.

111.33 Sec. 54. **[116.9410] ENFORCEMENT.**

112.1 The agency shall enforce sections 116.9401 to 116.9409 in the manner provided by
112.2 section 115.071, subdivisions 1, 3, 4, 5, and 6. Section 115.071, subdivision 2, does not
112.3 apply to violations of sections 116.9401 to 116.9409.

112.4 **EFFECTIVE DATE.** This section is effective July 1, 2016.

112.5 Sec. 55. **[116.9411] STATE AGENCY DUTIES.**

112.6 Subdivision 1. **Safer alternative grants.** If there is fee revenue collected under
112.7 section 116.9409, paragraph (a), in excess of program implementation costs, the
112.8 commissioner, in consultation with the commissioners of commerce and health, may
112.9 use that fee revenue to offer grants awarded competitively to manufacturers or other
112.10 researchers to develop safer alternatives to priority chemicals in children's products,
112.11 to establish alternatives as safer alternatives, or to accelerate the commercialization of
112.12 safer alternatives.

112.13 Subd. 2. **Education and outreach.** The commissioners of health and commerce
112.14 shall develop and implement an education and outreach effort regarding priority chemicals
112.15 in children's products.

112.16 Subd. 3. **Report.** By January 15, 2019, and every three years thereafter, the
112.17 commissioners of the Pollution Control Agency, health, and commerce shall report to
112.18 the legislative committees with jurisdiction over environment and natural resources,
112.19 commerce, and public health on the implementation of sections 116.9401 to 116.9411.

112.20 **EFFECTIVE DATE.** This section is effective July 1, 2016.

112.21 Sec. 56. **TRANSFERS.**

112.22 (a) On June 30, 2015, the commissioner of management and budget shall transfer
112.23 to the natural resources conservation easement stewardship account, established in
112.24 Minnesota Statutes, section 84.69, the remaining balance:

112.25 (1) in the forests for the future conservation easement account under section 84.68;
112.26 and

112.27 (2) of all appropriations to the Department of Natural Resources from the outdoor
112.28 heritage fund for the establishment of conservation easement monitoring and enforcement
112.29 accounts.

112.30 (b) On June 30, 2015, the commissioner of management and budget shall transfer to
112.31 the water and soil conservation easement stewardship account, established in Minnesota
112.32 Statutes, section 103B.103, the remaining balance of all appropriations to the board from

113.1 the outdoor heritage fund for the establishment of conservation easement monitoring
113.2 and enforcement accounts.

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

113.4 Sec. 57. **WETLAND CONSERVATION ACT REPORT.**

113.5 By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the
113.6 Department of Natural Resources, shall report to the committees with jurisdiction over
113.7 environment and natural resources on the proposals to implement high priority areas for
113.8 wetland replacement and in-lieu fees for replacement and modify wetland replacement
113.9 siting and actions eligible for credit. In developing the report, the board and department
113.10 shall consult with stakeholders and agencies.

113.11 Sec. 59. **REFUNDS; YOUTH BEAR LICENSES.**

113.12 The commissioner of natural resources may issue refunds for youth bear licenses
113.13 that were purchased between August 1, 2013, and June 30, 2014, to individuals who were
113.14 10, 11, or 12 years old at the time of purchase.

113.15 Sec. 60. **WILD RICE WATER QUALITY STANDARDS.**

113.16 (a) Until the commissioner of the Pollution Control Agency adopts rules refining
113.17 the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2,
113.18 to incorporate new science and to include criteria for identifying waters and a list of
113.19 waters subject to the standard, implementation of the wild rice water quality standard
113.20 in Minnesota Rules, part 7050.0224, subpart 2, is limited to the following, unless the
113.21 permittee requests additional conditions:

113.22 (1) the agency shall ensure that no existing discharge further causes or contributes to
113.23 sulfate impacts to wild rice and, to accomplish this, is limited by the following conditions:

113.24 (i) the agency shall not require permittees to expend money for design or
113.25 implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

113.26 (ii) the agency may require sulfate minimization plans in permits;

113.27 (2) the agency shall consider wild rice protection when evaluating proposals for new
113.28 or expanded discharges that include sulfate; and

113.29 (3) the agency shall not list waters containing natural beds of wild rice as impaired
113.30 for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title
113.31 33, section 1313, until the rulemaking described in this paragraph takes effect.

114.1 (b) Upon the rule described in paragraph (a) taking effect, the agency may reopen
114.2 permits issued or reissued after the effective date of this section as needed to include
114.3 numeric permit limits based on the wild rice water quality standard.

114.4 (c) The commissioner shall complete the rulemaking described in paragraph (a) by
114.5 January 15, 2018.

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

114.7 Sec. 62. **WORKING LANDS WATERSHED RESTORATION**

114.8 **IMPLEMENTATION PLAN.**

114.9 (a) The Board of Water and Soil Resources shall develop a detailed plan to
114.10 implement Minnesota Statutes, section 103F.519, that includes the following:

114.11 (1) selection of pilot watersheds that are expected to best demonstrate water quality
114.12 improvements and exhibit readiness to participate in the program;

114.13 (2) an assessment of the quantity of agricultural lands that are expected to be eligible
114.14 for the program in each watershed;

114.15 (3) an assessment of landowner interest in participating in the program;

114.16 (4) an assessment of the contract terms and any recommendations for changes to
114.17 the terms;

114.18 (5) an assessment of the opportunity to leverage federal funds through the program
114.19 and recommendations on how to maximize the use of federal funds in the future;

114.20 (6) an estimate of water quality improvements resulting from implementation;

114.21 (7) an assessment of potential groundwater quantity use of the proposed advanced
114.22 biofuel production facilities;

114.23 (8) an assessment of how to best integrate implementation with existing conservation
114.24 requirements and practices;

114.25 (9) a timeline for implementation, coordinated to the extent possible with the
114.26 proposed advanced biofuel production facilities; and

114.27 (10) a projection of funding sources needed to complete implementation.

114.28 (b) The board shall coordinate development of the plan with the commissioners of
114.29 natural resources, agriculture, and the Pollution Control Agency. The implementation plan
114.30 must be submitted by October 1, 2016, to the chairs and ranking minority members of the
114.31 legislative committees and divisions with jurisdiction over agriculture, natural resources,
114.32 and environment policy and finance and to the Clean Water Council.

114.33 Sec. 64. **REVISOR'S INSTRUCTION.**

115.1 The revisor of statutes shall renumber the subdivisions of Minnesota Statutes,
 115.2 section 103G.005, to retain alphabetical order and shall correct cross-references to the
 115.3 renumbered subdivisions.

115.4 Sec. 65. **REPEALER.**

115.5 (a) Minnesota Statutes 2014, section 84.68, is repealed.

115.6 (b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

115.7 (c) Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws
 115.8 2010, First Special Session chapter 1, article 6, section 6, Laws 2013, chapter 114, article
 115.9 3, section 9, is repealed.

115.10 **EFFECTIVE DATE.** Paragraph (b) of this section is effective the day following
 115.11 final enactment.

115.12 **ARTICLE 5**

115.13 **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS**

115.14 Section 1. **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING** 115.15 **APPROPRIATIONS.**

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

115.23	<u>APPROPRIATIONS</u>	
115.24	<u>Available for the Year</u>	
115.25	<u>Ending June 30</u>	
115.26	<u>2016</u>	<u>2017</u>

115.27 Sec. 2. **DEPARTMENT OF EMPLOYMENT** 115.28 **AND ECONOMIC DEVELOPMENT**

115.29	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>140,384,000</u>	<u>\$</u>	<u>113,524,000</u>
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115.30	<u>Appropriations by Fund</u>	
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115.31	<u>2016</u>	<u>2017</u>	
115.32	<u>General</u>	<u>112,378,000</u>	<u>85,510,000</u>

116.1	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
116.2	<u>Workforce</u>		
116.3	<u>Development</u>	<u>27,306,000</u>	<u>27,314,000</u>

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

116.7 Subd. 2. **Business and Community**
 116.8 **Development**

116.9	<u>Appropriations by Fund</u>		
116.10	<u>General</u>	<u>55,960,000</u>	<u>49,847,000</u>
116.11	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

116.12 (a)(1) \$17,350,000 the first year and
 116.13 \$13,500,000 the second year are for the
 116.14 Minnesota investment fund under Minnesota
 116.15 Statutes, section 116J.8731. Of this amount,
 116.16 the commissioner of employment and
 116.17 economic development may use up to three
 116.18 percent for administrative expenses and
 116.19 technology upgrades. This appropriation is
 116.20 available until June 30, 2019.

116.21 (2) Of the amount appropriated in fiscal year
 116.22 2016, \$4,000,000 is for a loan to construct a
 116.23 \$10,000,000 aircraft manufacturing facility.
 116.24 Funds available under this clause may be
 116.25 used for purchases of materials and supplies
 116.26 made from July 1, 2015, through June 30,
 116.27 2016, and which are directly related to the
 116.28 construction of the aircraft manufacturing
 116.29 facility. This loan is not subject to the
 116.30 limitations under Minnesota Statutes, section
 116.31 116J.8731, subdivision 5. The commissioner
 116.32 shall forgive the loan after verification that
 116.33 the project has satisfied performance goals
 116.34 and contractual obligations as required
 116.35 under Minnesota Statutes, section 116J.8731,

117.1 subdivision 7. The amount available under
117.2 this clause is available until June 30, 2019.

117.3 (3) Of the amount appropriated in fiscal year
117.4 2016, \$12,000,000 is for a loan to construct
117.5 a biochemical facility that uses cellulosic
117.6 feedstock to produce chemical products.
117.7 This loan is not subject to the limitations
117.8 under Minnesota Statutes, section 116J.8731,
117.9 subdivision 5, and shall be matched by money
117.10 designated by the Iron Range Resources and
117.11 Rehabilitation Board. The commissioner
117.12 shall forgive the loan after verification that
117.13 the project has satisfied performance goals
117.14 and contractual obligations as required
117.15 under Minnesota Statutes, section 116J.8731,
117.16 subdivision 7. The amount available under
117.17 this clause is available until June 30, 2019.

117.18 (4) Of the amount appropriated in fiscal
117.19 year 2017, \$1,000,000 is for a grant to a
117.20 solid waste management company in Delano
117.21 for site development and planning for an
117.22 innovative municipal solid waste processing
117.23 facility with an annual capacity of up to
117.24 125,000 tons as a demonstration project
117.25 to manage organics through the use of an
117.26 emerging technology to recover organic
117.27 material and nonrecyclable paper, which
117.28 represents half the volume of material that is
117.29 currently placed in a landfill, and process it
117.30 in a high solids anaerobic digester to produce
117.31 Class I or II compost and compressed natural
117.32 gas for use in the company's solid waste
117.33 collection vehicles. This appropriation
117.34 requires a match from nonstate sources,
117.35 which may not include funds that have

118.1 already been expended on the project or
118.2 in-kind contributions.

118.3 (5) Of the amount appropriated in fiscal year
118.4 2016, \$350,000 is for the Harbor at Tower
118.5 project to reestablish navigable access to the
118.6 harbor. This appropriation is available until
118.7 June 30, 2019.

118.8 (6) Of the amount appropriated in fiscal year
118.9 2016, \$1,000,000 is for reconstruction and
118.10 expansion of a runway at the Duluth airport.
118.11 This appropriation is available until June 30,
118.12 2019.

118.13 (b) \$12,500,000 each year is for the
118.14 Minnesota job creation fund under Minnesota
118.15 Statutes, section 116J.8748. Of this amount,
118.16 the commissioner of employment and
118.17 economic development may use up to three
118.18 percent for administrative expenses. This
118.19 appropriation is available until June 30,
118.20 2019. The base amount for fiscal year 2018
118.21 and thereafter is \$10,324,000.

118.22 (c) \$1,272,000 each year is from the
118.23 general fund for contaminated site cleanup
118.24 and development grants under Minnesota
118.25 Statutes, sections 116J.551 to 116J.558. This
118.26 appropriation is available until June 30, 2019.

118.27 (d) \$700,000 each year is from the
118.28 remediation fund for contaminated site
118.29 cleanup and development grants under
118.30 Minnesota Statutes, sections 116J.551 to
118.31 116J.558. This appropriation is available
118.32 until June 30, 2019.

118.33 (e) \$4,425,000 each year is from the
118.34 general fund for the business development
118.35 competitive grant program. Of this

119.1 amount, up to three percent is for
119.2 administration and monitoring of the
119.3 business development competitive grant
119.4 program. The commissioner shall award
119.5 grants to applicants that received a business
119.6 development grant in the previous biennium
119.7 through the competitive grant program,
119.8 or were named in Laws 2013, chapter 85,
119.9 or Laws 2014, chapter 312. Remaining
119.10 amounts shall be used to increase grant
119.11 awards compared to the previous biennium
119.12 and for new grantees. All grant awards shall
119.13 be for two consecutive years. Grants shall be
119.14 awarded in the first year.

119.15 A Minnesota-based nonprofit with
119.16 demonstrated expertise in water technology
119.17 research and development is eligible to
119.18 apply for a business development grant
119.19 under this paragraph in order to establish a
119.20 water technology cluster development pilot
119.21 program.

119.22 (f) \$4,195,000 each year is from the general
119.23 fund for the Minnesota job skills partnership
119.24 program under Minnesota Statutes, sections
119.25 116L.01 to 116L.17. If the appropriation for
119.26 either year is insufficient, the appropriation
119.27 for the other year is available.

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

119.31 (h) \$325,000 each year is from the general
119.32 fund for the Minnesota Film and TV Board.
119.33 The appropriation in each year is available
119.34 only upon receipt by the board of \$1 in
119.35 matching contributions of money or in-kind

120.1 contributions from nonstate sources for every
120.2 \$3 provided by this appropriation, except that
120.3 each year up to \$50,000 is available on July
120.4 1 even if the required matching contribution
120.5 has not been received by that date.

120.6 (i) \$6,500,000 each year is from the general
120.7 fund for a grant to the Minnesota Film
120.8 and TV Board for the film production jobs
120.9 program under Minnesota Statutes, section
120.10 116U.26. This appropriation is available
120.11 until June 30, 2019. The base amount for
120.12 fiscal year 2018 and thereafter is \$1,500,000.

120.13 (j) \$875,000 each year is from the general
120.14 fund for the host community economic
120.15 development program established in
120.16 Minnesota Statutes, section 116J.548.

120.17 (k) \$1,373,000 in fiscal year 2016 is for the
120.18 workforce housing grants pilot program in
120.19 Laws 2014, chapter 308, article 6, section 14.
120.20 This appropriation is onetime and is available
120.21 until June 30, 2018. The commissioner of
120.22 employment and economic development may
120.23 use up to five percent for administrative costs.

120.24 (l) \$2,000,000 each year is for the workforce
120.25 housing grant program in Minnesota Statutes,
120.26 section 116J.549. Of this amount, up to five
120.27 percent is for administration and monitoring
120.28 of the program. The first year appropriation
120.29 is available until June 30, 2019. The second
120.30 year appropriation is available until June 30,
120.31 2020.

120.32 (m) \$500,000 each year is for grants to
120.33 small business development centers under
120.34 Minnesota Statutes, section 116J.68. Funds
120.35 made available under this paragraph may be

121.1 used to match funds under the federal Small
121.2 Business Development Center (SBDC)
121.3 program under United States Code, title 15,
121.4 section 648, provide consulting and technical
121.5 services, or to build additional SBDC
121.6 network capacity to serve entrepreneurs
121.7 and small businesses. The commissioner
121.8 shall allocate funds equally among the nine
121.9 regional centers and the lead center.

121.10 (n) \$600,000 the first year is for a grant to
121.11 a city of the second class that is designated
121.12 as an economically depressed area by the
121.13 United States Department of Commerce for
121.14 economic development, redevelopment, and
121.15 job creation programs and projects. This
121.16 appropriation is available until June 30,
121.17 2019. Of this amount, up to \$100,000 is for
121.18 a grant to the St. Paul Port Authority for a
121.19 feasibility study to solve access issues in and
121.20 around Barge Channel Road. This amount
121.21 for the feasibility study is contingent upon
121.22 receipt of matching dollars from the Union
121.23 Pacific Railroad.

121.24 (o) \$255,000 the first year for grants to
121.25 the Neighborhood Development Center
121.26 for the small business incubator program.
121.27 Of this amount, \$155,000 is for capital
121.28 improvements to existing small business
121.29 incubators, and \$100,000 is for the creation
121.30 and operation of a small business incubator
121.31 revolving fund to assist in the acquisition
121.32 and development of property for additional
121.33 small business incubators. This is a onetime
121.34 appropriation.

122.1 (p) \$35,000 the first year is for an economic
 122.2 development grant for the city of Delano.

122.3 Subd. 3. **Workforce Development**

122.4	<u>Appropriations by Fund</u>		
122.5	<u>General</u>	<u>4,489,000</u>	<u>2,289,000</u>
122.6	<u>Workforce</u>		
122.7	<u>Development</u>	<u>19,042,000</u>	<u>19,042,000</u>

122.8 (a) \$1,039,000 each year from the general
 122.9 fund and \$6,244,000 each year from the
 122.10 workforce development fund are for the
 122.11 adult workforce development competitive
 122.12 grant program. Of this amount, up to three
 122.13 percent is for administration and monitoring
 122.14 of the program. The commissioner shall
 122.15 award grants to applicants that received an
 122.16 adult workforce development grant in the
 122.17 previous biennium through the competitive
 122.18 grant program, or were named in Laws 2013,
 122.19 chapter 85, or Laws 2014, chapter 312.
 122.20 Remaining amounts shall be used to increase
 122.21 grant awards compared to the previous
 122.22 biennium and for new grantees. All grant
 122.23 awards shall be for two consecutive years.
 122.24 Grants shall be awarded in the first year.

122.25 (b) \$4,500,000 each year is from the
 122.26 workforce development fund for the
 122.27 Minnesota youth program under Minnesota
 122.28 Statutes, sections 116L.56 and 116L.561, to
 122.29 provide employment and career counseling
 122.30 to youth, including career guidance in
 122.31 secondary schools, to address the youth
 122.32 career counseling deficiency, to carry out
 122.33 activities outlined in Minnesota Statutes,
 122.34 section 116L.561, to provide support
 122.35 services, and to provide work experience to
 122.36 youth in the workforce service areas. The

123.1 funds in this paragraph may be used for
123.2 expansion of the pilot program combining
123.3 career and higher education advising in
123.4 Laws 2013, chapter 85, article 3, section 27.
123.5 Activities in workforce services areas under
123.6 this paragraph may serve all youth up to age
123.7 24.

123.8 (c) \$1,000,000 each year is from the
123.9 workforce development fund for the
123.10 youthbuild program under Minnesota
123.11 Statutes, sections 116L.361 to 116L.366.

123.12 (d) \$450,000 each year is from the workforce
123.13 development fund for a grant to Minnesota
123.14 Diversified Industries, Inc., to provide
123.15 progressive development and employment
123.16 opportunities for people with disabilities.

123.17 (e) \$2,848,000 each year is from the
123.18 workforce development fund for the youth
123.19 workforce development competitive grant
123.20 program. Of this amount, up to three percent
123.21 is for administration and monitoring of the
123.22 youth workforce development competitive
123.23 grant program. The commissioner shall
123.24 award grants to applicants that received a
123.25 youth workforce development grant in the
123.26 previous biennium through the competitive
123.27 grant program, or were named in Laws 2013,
123.28 chapter 85, or Laws 2014, chapter 312.
123.29 Remaining amounts shall be used to increase
123.30 grant awards compared to the previous
123.31 biennium and for new grantees. All grant
123.32 awards shall be for two consecutive years.
123.33 Grants shall be awarded in the first year.

123.34 (f) \$1,500,000 each year is from the
123.35 workforce development fund for a grant

124.1 to FastTRAC-Minnesota Adult Careers
124.2 Pathways Program.

124.3 (g) \$1,500,000 each year is from the
124.4 workforce development fund for the
124.5 Opportunities Industrialization Center
124.6 programs. Of this amount, \$1,000,000 each
124.7 year is for the Emerging Workforce Coalition.

124.8 (h) \$750,000 each year is from the workforce
124.9 development fund for a grant to the
124.10 Minnesota Alliance of Boys and Girls
124.11 Clubs to administer a statewide project
124.12 of youth jobs skills development. This
124.13 project, which may have career guidance
124.14 components, including health and life skills,
124.15 is to encourage, train, and assist youth in
124.16 job-seeking skills, workplace orientation,
124.17 and job-site knowledge through coaching.
124.18 This grant requires a 25 percent match from
124.19 nonstate resources.

124.20 (i) \$500,000 each year is for the publication,
124.21 dissemination, and use of labor market
124.22 information under Minnesota Statutes,
124.23 section 116J.4011, and for pilot programs
124.24 in the workforce service areas to combine
124.25 career and higher education advising.

124.26 (j) \$250,000 each year is from the workforce
124.27 development fund for a grant to Big
124.28 Brothers, Big Sisters of the Greater Twin
124.29 Cities for workforce readiness, employment
124.30 exploration, and skills development for
124.31 youth ages 12 to 21. The grant must serve
124.32 youth in the Twin Cities, Central Minnesota,
124.33 and Southern Minnesota Big Brothers, Big
124.34 Sisters chapters.

125.1 (k) \$400,000 in fiscal year 2016 is for a grant
125.2 to YWCA Saint Paul for training and job
125.3 placement assistance, including commercial
125.4 driver's license training, through the job
125.5 placement and retention program. This is a
125.6 onetime appropriation.

125.7 (l) \$250,000 each year is for a grant to
125.8 Occupational Development Corporation, Inc.
125.9 in the city of Buhl to provide training and
125.10 employment opportunities for people with
125.11 disabilities and disadvantaged workers. This
125.12 is a onetime appropriation.

125.13 (m) \$150,000 in fiscal year 2016 is for an
125.14 analysis of various options for the delivery
125.15 of a family medical leave insurance program
125.16 and associated costs and benefits. This is a
125.17 onetime appropriation.

125.18 The commissioner shall report to the
125.19 legislative committees with jurisdiction over
125.20 labor, jobs, and health and human services
125.21 on the results of its analysis by December
125.22 15, 2015.

125.23 (n) \$500,000 each year is for rural career
125.24 counseling coordinator positions in the
125.25 workforce service areas and for the purposes
125.26 specified in Minnesota Statutes, section
125.27 116L.667. The commissioner, in consultation
125.28 with local workforce investment boards and
125.29 local elected officials in each of the service
125.30 areas receiving funds, shall develop a method
125.31 of distributing funds to provide equitable
125.32 services across workforce service areas.

125.33 (o) \$500,000 each year is for a grant to the
125.34 Eastside Enterprise Center for economic
125.35 development and job creation, including

126.1 loans, business and workforce training, and
 126.2 business assistance. This appropriation
 126.3 shall be divided equally between African
 126.4 Economic Development Solutions, the Asian
 126.5 Economic Development Association, and the
 126.6 Latino Economic Development Center. This
 126.7 is a onetime appropriation.

126.8 (p) \$150,000 each year is for a grant to
 126.9 Ujamaa Place for implementation of paid
 126.10 internships through the employment and
 126.11 career preparation program. This is a
 126.12 onetime appropriation.

126.13 (q) \$500,000 the first year is for a grant
 126.14 to Northern Bedrock Historic Preservation
 126.15 Corps for the pathway to the preservation
 126.16 trades program for recruitment of corps
 126.17 members, engagement of technical
 126.18 specialists, development of a certificate
 126.19 program, and skill development in historic
 126.20 preservation for youth ages 18 to 25. This is
 126.21 a onetime appropriation.

126.22 (r) \$500,000 the first year is for the "Getting
 126.23 to Work" grant program. This is a onetime
 126.24 appropriation and is available until June 30,
 126.25 2019.

126.26 **Subd. 4. General Support Services**

126.27	<u>Appropriations by Fund</u>		
126.28	<u>General</u>	<u>2,659,000</u>	<u>2,854,000</u>
126.29	<u>Workforce</u>		
126.30	<u>Development</u>	<u>9,000</u>	<u>17,000</u>

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

126.34 (b) \$1,300,000 each year is for operating the
 126.35 Olmstead Implementation Office. The base

127.1 appropriation for the office is \$1,269,000 in
 127.2 fiscal year 2018 and \$1,269,000 in fiscal year
 127.3 2019.

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

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

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

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

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

127.16 Subd. 6. **Vocational Rehabilitation**

	<u>Appropriations by Fund</u>	
127.17		
127.18	<u>General</u>	<u>23,803,000</u> <u>22,053,000</u>
127.19	<u>Workforce</u>	
127.20	<u>Development</u>	<u>8,255,000</u> <u>8,255,000</u>

127.21 (a) \$10,800,000 each year is from the general
 127.22 fund for the state's vocational rehabilitation
 127.23 program under Minnesota Statutes, chapter
 127.24 268A.

127.25 (b) \$2,953,000 each year is from the general
 127.26 fund for grants to centers for independent
 127.27 living under Minnesota Statutes, section
 127.28 268A.11.

127.29 (c) \$5,745,000 each year from the general
 127.30 fund and \$7,580,000 each year from the
 127.31 workforce development fund are for extended
 127.32 employment services for persons with severe
 127.33 disabilities under Minnesota Statutes, section
 127.34 268A.15.

128.1 (d) \$2,555,000 each year is from the general
128.2 fund for grants to programs that provide
128.3 employment support services to persons with
128.4 mental illness under Minnesota Statutes,
128.5 sections 268A.13 and 268A.14.

128.6 (e) \$675,000 each year is from the workforce
128.7 development fund for grants under
128.8 Minnesota Statutes, section 268A.16, for
128.9 employment services for persons, including
128.10 transition-aged youth, who are deaf,
128.11 deafblind, or hard-of-hearing. If the amount
128.12 in the first year is insufficient, the amount in
128.13 the second year is available in the first year.

128.14 (f) \$1,000,000 in fiscal year 2016 is for a
128.15 grant to a statewide nonprofit organization
128.16 that is exclusively dedicated to the issues
128.17 of access to and the acquisition of assistive
128.18 technology. The purpose of the grant is
128.19 to acquire assistive technology and to
128.20 work in tandem with individuals using this
128.21 technology to create career paths. This is a
128.22 onetime appropriation.

128.23 (g) \$750,000 the first year is for grants to
128.24 day training and habilitation providers to
128.25 provide innovative employment options
128.26 and to advance community integration for
128.27 persons with disabilities as required under
128.28 the Minnesota Olmstead Plan. Of this
128.29 amount, \$250,000 is for a pilot program
128.30 for home-based, technology-enhanced
128.31 monitoring of persons with disabilities.

128.32 Unexpended funds for fiscal year 2016 do
128.33 not cancel but are available in fiscal year
128.34 2017. This is a onetime appropriation.

- 129.1 (h) For purposes of this subdivision,
 129.2 Minnesota Diversified Industries, Inc. is an
 129.3 eligible provider of services for persons with
 129.4 severe disabilities under Minnesota Statutes,
 129.5 section 268A.15.
- 129.6 Subd. 7. **Services for the Blind** 5,925,000 5,925,000
- 129.7 \$50,000 the first year and \$50,000 the second
 129.8 year must be used to provide services for
 129.9 senior citizens who are becoming blind. At
 129.10 least half of these amounts must be used to
 129.11 provide training services for seniors who are
 129.12 becoming blind and must be administered
 129.13 at an Adjustment to Blindness Center in the
 129.14 state. The training services must provide
 129.15 independent living skills to seniors who are
 129.16 becoming blind to allow them to continue to
 129.17 live independently in their homes.
- 129.18 Subd. 8. **Broadband Development** 17,750,000 250,000
- 129.19 (a) \$250,000 each year is for the Broadband
 129.20 Development Office.
- 129.21 (b)(1) \$17,000,000 in fiscal year 2016 is for
 129.22 deposit in the border-to-border broadband
 129.23 fund account created under Minnesota
 129.24 Statutes, section 116J.396, and may be used
 129.25 for the purposes provided in Minnesota
 129.26 Statutes, section 116J.395. This is a onetime
 129.27 appropriation and is available until June 30,
 129.28 2017.
- 129.29 (2) Of the appropriation in clause (1), up
 129.30 to three percent of this amount is for costs
 129.31 incurred by the commissioner to administer
 129.32 Minnesota Statutes, section 116J.395.
 129.33 Administrative costs may include the
 129.34 following activities related to measuring
 129.35 progress toward the state's broadband goals

130.1 established in Minnesota Statutes, section
130.2 237.012:

130.3 (i) collecting broadband deployment data
130.4 from Minnesota providers, verifying its
130.5 accuracy through on-the-ground testing, and
130.6 creating state and county maps available
130.7 to the public showing the availability of
130.8 broadband service at various upload and
130.9 download speeds throughout Minnesota;

130.10 (ii) analyzing the deployment data collected
130.11 to help inform future investments in
130.12 broadband infrastructure; and

130.13 (iii) conducting business and residential
130.14 surveys that measure broadband adoption
130.15 and use in the state.

130.16 (3) Data provided by a broadband provider
130.17 under this paragraph is nonpublic data
130.18 under Minnesota Statutes, section 13.02,
130.19 subdivision 9. Maps produced under this
130.20 paragraph are public data under Minnesota
130.21 Statutes, section 13.03.

130.22 Subd. 9. **Transfer.**

130.23 The commissioner shall transfer \$8,000,000
130.24 from the Minnesota minerals 21st century
130.25 fund to the commissioner of the Iron Range
130.26 Resources and Rehabilitation Board for
130.27 a grant or forgivable loan to construct a
130.28 biochemical facility that uses cellulosic
130.29 feedstock to produce chemical products. The
130.30 amount available under this subdivision shall
130.31 be matched by money designated by the Iron
130.32 Range Resources and Rehabilitation Board
130.33 and is available until June 30, 2019.

130.34 Sec. 3. **HOUSING FINANCE AGENCY**

131.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 62,258,000</u>	<u>\$ 52,258,000</u>
131.2	<u>The amounts that may be spent for each</u>		
131.3	<u>purpose are specified in the following</u>		
131.4	<u>subdivisions.</u>		
131.5	<u>Unless otherwise specified, this appropriation</u>		
131.6	<u>is for transfer to the housing development</u>		
131.7	<u>fund for the programs specified in this</u>		
131.8	<u>section. Except as otherwise indicated, this</u>		
131.9	<u>transfer is part of the agency's permanent</u>		
131.10	<u>budget base.</u>		
131.11	<u>Subd. 2. Challenge Program</u>	<u>21,425,000</u>	<u>13,425,000</u>
131.12	<u>(a) This appropriation is for the economic</u>		
131.13	<u>development and housing challenge program</u>		
131.14	<u>under Minnesota Statutes, section 462A.33.</u>		
131.15	<u>The agency must continue to strengthen its</u>		
131.16	<u>efforts to address the disparity rate between</u>		
131.17	<u>white households and indigenous American</u>		
131.18	<u>Indians and communities of color. Of this</u>		
131.19	<u>amount, \$1,208,000 each year shall be made</u>		
131.20	<u>available during the first 11 months of the</u>		
131.21	<u>fiscal year exclusively for housing projects</u>		
131.22	<u>for indigenous American Indians. Any</u>		
131.23	<u>funds not committed to housing projects for</u>		
131.24	<u>indigenous American Indians in the first 11</u>		
131.25	<u>months of the fiscal year shall be available</u>		
131.26	<u>for any eligible activity under Minnesota</u>		
131.27	<u>Statutes, section 462A.33.</u>		
131.28	<u>(b)(1) \$8,000,000 the first year is a onetime</u>		
131.29	<u>appropriation and is targeted for housing in</u>		
131.30	<u>communities and regions that have:</u>		
131.31	<u>(i) low housing vacancy rates;</u>		
131.32	<u>(ii) cooperatively developed a plan that</u>		
131.33	<u>identifies current and future housing needs;</u>		
131.34	<u>(iii) evidence of anticipated job expansion; or</u>		

132.1 (iv) a significant portion of area employees
 132.2 who commute more than 30 miles between
 132.3 their residence and their employment.

132.4 (2) Among comparable housing proposals,
 132.5 preference must be given to proposals that:

132.6 (i) include a meaningful contribution from
 132.7 area employers that reduces the need for
 132.8 deferred loan or grant funds from state
 132.9 resources; or

132.10 (ii) provide housing opportunities for an
 132.11 expanded range of household incomes
 132.12 within a community or that provide housing
 132.13 opportunities for a wide range of incomes
 132.14 within the development.

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

132.17 **Subd. 3. Housing Trust Fund**

132.18 (a) This appropriation is for deposit in the
 132.19 housing trust fund account created under
 132.20 Minnesota Statutes, section 462A.201, and
 132.21 may be used for the purposes provided in
 132.22 that section. To the extent that these funds
 132.23 are used for the acquisition of housing, the
 132.24 agency shall give priority among comparable
 132.25 projects to projects that focus on creating
 132.26 safe and stable housing for homeless youth
 132.27 or projects that provide housing to trafficked
 132.28 women and children.

132.29 (b) \$2,000,000 the first year is a onetime
 132.30 appropriation for temporary rental assistance
 132.31 for families with school-age children who
 132.32 have changed their school or home at least
 132.33 once in the last school year. The agency,
 132.34 in consultation with the Department of

13,646,000

11,646,000

133.1	<u>Education, may establish additional targeting</u>		
133.2	<u>criteria.</u>		
133.3	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>4,088,000</u>	<u>4,088,000</u>
133.4	<u>This appropriation is for the rental housing</u>		
133.5	<u>assistance program for persons with a mental</u>		
133.6	<u>illness or families with an adult member with</u>		
133.7	<u>a mental illness under Minnesota Statutes,</u>		
133.8	<u>section 462A.2097. Among comparable</u>		
133.9	<u>proposals, the agency shall prioritize those</u>		
133.10	<u>proposals that target, in part, eligible persons</u>		
133.11	<u>who desire to move to more integrated,</u>		
133.12	<u>community-based settings.</u>		
133.13	<u>Subd. 5. Family Homeless Prevention</u>	<u>9,269,000</u>	<u>9,269,000</u>
133.14	<u>This appropriation is for the family homeless</u>		
133.15	<u>prevention and assistance programs under</u>		
133.16	<u>Minnesota Statutes, section 462A.204. The</u>		
133.17	<u>base amount for this program in fiscal year</u>		
133.18	<u>2018 and thereafter is \$8,519,000.</u>		
133.19	<u>Of this amount, \$500,000 the first year is for</u>		
133.20	<u>a onetime appropriation for a grant to Better</u>		
133.21	<u>Futures Minnesota for temporary housing and</u>		
133.22	<u>rental assistance for adults who have been</u>		
133.23	<u>released from state correctional facilities or</u>		
133.24	<u>on supervised release in the community who</u>		
133.25	<u>are homeless or at risk of becoming homeless.</u>		
133.26	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
133.27	<u>This appropriation is for the home ownership</u>		
133.28	<u>assistance program under Minnesota</u>		
133.29	<u>Statutes, section 462A.21, subdivision 8.</u>		
133.30	<u>The agency shall continue to strengthen</u>		
133.31	<u>its efforts to address the disparity gap in</u>		
133.32	<u>the homeownership rate between white</u>		
133.33	<u>households and indigenous American Indians</u>		
133.34	<u>and communities of color.</u>		

134.1	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
134.2	<u>(a) This appropriation is for the affordable</u>		
134.3	<u>rental investment fund program under</u>		
134.4	<u>Minnesota Statutes, section 462A.21,</u>		
134.5	<u>subdivision 8b, to finance the acquisition,</u>		
134.6	<u>rehabilitation, and debt restructuring of</u>		
134.7	<u>federally assisted rental property and</u>		
134.8	<u>for making equity take-out loans under</u>		
134.9	<u>Minnesota Statutes, section 462A.05,</u>		
134.10	<u>subdivision 39.</u>		
134.11	<u>(b) The owner of federally assisted rental</u>		
134.12	<u>property must agree to participate in the</u>		
134.13	<u>applicable federally assisted housing program</u>		
134.14	<u>and to extend any existing low-income</u>		
134.15	<u>affordability restrictions on the housing for</u>		
134.16	<u>the maximum term permitted. The owner</u>		
134.17	<u>must also enter into an agreement that gives</u>		
134.18	<u>local units of government, housing and</u>		
134.19	<u>redevelopment authorities, and nonprofit</u>		
134.20	<u>housing organizations the right of first refusal</u>		
134.21	<u>if the rental property is offered for sale.</u>		
134.22	<u>Priority must be given among comparable</u>		
134.23	<u>federally assisted rental properties to</u>		
134.24	<u>properties with the longest remaining term</u>		
134.25	<u>under an agreement for federal assistance.</u>		
134.26	<u>Priority must also be given among</u>		
134.27	<u>comparable rental housing developments</u>		
134.28	<u>to developments that are or will be owned</u>		
134.29	<u>by local government units, a housing and</u>		
134.30	<u>redevelopment authority, or a nonprofit</u>		
134.31	<u>housing organization. Among comparable</u>		
134.32	<u>rental housing proposals, priority may be</u>		
134.33	<u>given to proposals that contain identified</u>		
134.34	<u>goals relating to the housing element of</u>		

135.1 a cooperatively developed plan that are
 135.2 consistent with the mission of the agency.
 135.3 (c) The appropriation also may be used to
 135.4 finance the acquisition, rehabilitation, and
 135.5 debt restructuring of existing supportive
 135.6 housing properties. For purposes of this
 135.7 paragraph, "supportive housing" means
 135.8 affordable rental housing with links to
 135.9 services necessary for individuals, youth, and
 135.10 families with children to maintain housing
 135.11 stability.

135.12 Subd. 8. **Housing Rehabilitation** 6,765,000 6,765,000

135.13 This appropriation is for the housing
 135.14 rehabilitation program under Minnesota
 135.15 Statutes, section 462A.05, subdivision 14. Of
 135.16 this amount, \$3,022,000 each year is for the
 135.17 rehabilitation of owner-occupied housing and
 135.18 \$3,743,000 each year is for the rehabilitation
 135.19 of eligible rental housing. In administering a
 135.20 rehabilitation program for rental housing, the
 135.21 agency may apply the processes and priorities
 135.22 adopted for administration of the economic
 135.23 development and housing challenge program
 135.24 under Minnesota Statutes, section 462A.33.
 135.25 The base amount for the rehabilitation of the
 135.26 owner-occupied housing program in fiscal
 135.27 year 2018 and thereafter is \$2,772,000.

135.28 Subd. 9. **Homeownership Education,**
 135.29 **Counseling, and Training** 857,000 857,000

135.30 This appropriation is for the homeownership
 135.31 education, counseling, and training program
 135.32 under Minnesota Statutes, section 462A.209.
 135.33 Priority may be given to funding programs
 135.34 that are aimed at culturally specific groups

136.1 who are providing services to members of
 136.2 their communities.

136.3 Subd. 10. Capacity Building Grants 770,000 770,000

136.4 (a) This appropriation is for nonprofit
 136.5 capacity building grants under Minnesota
 136.6 Statutes, section 462A.21, subdivision 3b.
 136.7 Of this amount, \$250,000 each year is
 136.8 for support of the Homeless Management
 136.9 Information System (HMIS).

136.10 (b) \$250,000 each year is for competitive
 136.11 grants to community organizations to provide
 136.12 long-term financial education training, case
 136.13 management, credit mending, homebuyer
 136.14 education, and foreclosure prevention
 136.15 mitigation services according to Laws 2014,
 136.16 chapter 188, section 4, paragraph (c).

136.17 (c) \$85,000 each year is for a grant to Open
 136.18 Access Connection to provide free voice mail
 136.19 services for homeless and low-income people
 136.20 throughout Minnesota so that they have a
 136.21 reliable and consistent communication tool
 136.22 to aid in their search for affordable housing
 136.23 and to help those individuals find and keep
 136.24 jobs that will allow them to maintain their
 136.25 housing. In addition to programs already
 136.26 available in greater Minnesota, \$15,000 each
 136.27 year must be used to increase use of and
 136.28 access to community voice mail in the areas
 136.29 outside the seven-county metropolitan area.
 136.30 This is a onetime appropriation.

136.31 Sec. 4. EXPLORE MINNESOTA TOURISM \$ 14,053,000 \$ 14,118,000

136.32 To develop maximum private sector
 136.33 involvement in tourism, \$500,000 in fiscal
 136.34 year 2016 and \$500,000 in fiscal year 2017

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

138.4 **Subd. 2. Workers' Compensation** 13,952,000 14,230,000

138.5 (a) This appropriation is from the workers'
 138.6 compensation fund.

138.7 (b)(1) \$3,000,000 each year is for workers'
 138.8 compensation system upgrades. The base
 138.9 appropriation for fiscal year 2020 and beyond
 138.10 is zero.

138.11 (2) This appropriation includes funds for
 138.12 information technology project services
 138.13 and support subject to the provisions of
 138.14 Minnesota Statutes, section 16E.0466.
 138.15 Any ongoing information technology costs
 138.16 must be incorporated into the service level
 138.17 agreement and will be paid to the Office
 138.18 of MN.IT Services by the commissioner
 138.19 of labor and industry under the rates and
 138.20 mechanisms specified in that agreement.

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

	<u>Appropriations by Fund</u>	
138.22		
138.23	<u>General</u>	<u>1,234,000</u> <u>1,252,000</u>
138.24	<u>Workforce</u>	
138.25	<u>Development</u>	<u>1,643,000</u> <u>1,657,000</u>

138.26 (a) \$834,000 in fiscal year 2016 and \$852,000
 138.27 in fiscal year 2017 are from the general fund
 138.28 for the labor standards and apprenticeship
 138.29 program.

138.30 (b) \$1,143,000 in fiscal year 2016 and
 138.31 \$1,157,000 in fiscal year 2017 are from
 138.32 the workforce development fund for the
 138.33 apprenticeship program under Minnesota
 138.34 Statutes, chapter 178. Of this amount,
 138.35 \$100,000 each year is for labor education and

139.1	<u>advancement program grants and to expand</u>		
139.2	<u>and promote registered apprenticeship</u>		
139.3	<u>training in nonconstruction trade programs.</u>		
139.4	<u>(c) \$150,000 each year is from the workforce</u>		
139.5	<u>development fund for prevailing wage</u>		
139.6	<u>enforcement.</u>		
139.7	<u>(d) \$100,000 each year is from the workforce</u>		
139.8	<u>development fund for grants to community</u>		
139.9	<u>organizations for the purpose of outreach and</u>		
139.10	<u>education for employees regarding employee</u>		
139.11	<u>rights under Minnesota Statutes, chapters</u>		
139.12	<u>177 and 181. The community organizations</u>		
139.13	<u>must be selected based on their experience,</u>		
139.14	<u>capacity, and relationships in high-violation</u>		
139.15	<u>industries.</u>		
139.16	<u>(e) \$250,000 each year is from the workforce</u>		
139.17	<u>development fund for additional compliance</u>		
139.18	<u>and enforcement activities by the labor</u>		
139.19	<u>standards unit related to Minnesota Statutes,</u>		
139.20	<u>chapters 177 and 181.</u>		
139.21	<u>(f) \$50,000 each year is from the general fund</u>		
139.22	<u>for annual reports to the legislature including,</u>		
139.23	<u>but not limited to, the following information:</u>		
139.24	<u>(1) a list of all violations of the statutory</u>		
139.25	<u>sections listed in Minnesota Statutes, section</u>		
139.26	<u>177.27, subdivision 4, including the name</u>		
139.27	<u>of the employer involved, and the nature of</u>		
139.28	<u>any violations; and</u>		
139.29	<u>(2) an analysis of noncompliance with</u>		
139.30	<u>the statutory sections listed in Minnesota</u>		
139.31	<u>Statutes, section 177.27, subdivision 4,</u>		
139.32	<u>including any patterns by employer, industry,</u>		
139.33	<u>or county.</u>		
139.34	Subd. 4. <u>Workplace Safety</u>	<u>4,154,000</u>	<u>4,154,000</u>

- 140.1 This appropriation is from the workers'
 140.2 compensation fund.
- 140.3 Subd. 5. General Support 6,039,000 6,039,000
- 140.4 This appropriation is from the workers'
 140.5 compensation fund.
- 140.6 Sec. 6. BUREAU OF MEDIATION
 140.7 SERVICES \$ 2,917,000 \$ 2,734,000
- 140.8 (a) \$68,000 each year is for grants to area
 140.9 labor management committees. Grants may
 140.10 be awarded for a 12-month period beginning
 140.11 July 1 each year. Any unencumbered balance
 140.12 remaining at the end of the first year does not
 140.13 cancel but is available for the second year.
- 140.14 (b) \$525,000 each year is for purposes of the
 140.15 Public Employment Relations Board under
 140.16 Minnesota Statutes, section 179A.041.
- 140.17 (c) \$250,000 in fiscal year 2016 and
 140.18 \$100,000 in fiscal year 2017 are for the
 140.19 case management database IT project. This
 140.20 appropriation includes funds for information
 140.21 technology project services and support
 140.22 subject to the provisions of Minnesota
 140.23 Statutes, section 16E.0466. Any ongoing
 140.24 information technology costs must be
 140.25 incorporated into the service level agreement
 140.26 and must be paid to the Office of MN.IT
 140.27 Services by the commissioner of mediation
 140.28 services under the rates and mechanisms
 140.29 specified in that agreement.
- 140.30 (d) \$256,000 each year is for the Office
 140.31 of Collaboration and Dispute Resolution
 140.32 under Minnesota Statutes, section 179.90.
 140.33 Of this amount, \$160,000 each year is
 140.34 for grants under Minnesota Statutes,

141.1 section 179.91, and \$96,000 each year is
 141.2 for intergovernmental and public policy
 141.3 collaboration and operation of the office.

141.4 **Sec. 7. WORKERS' COMPENSATION**
 141.5 **COURT OF APPEALS**

\$ 1,907,000 \$ 1,913,000

141.6 This appropriation is from the workers'
 141.7 compensation fund.

141.8 **Sec. 8. DEPARTMENT OF COMMERCE**

141.9 **Subdivision 1. Total Appropriation** **\$ 35,573,000 \$ 34,740,000**

141.10 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
141.11		
141.12 <u>General</u>	<u>32,518,000</u>	<u>31,673,000</u>
141.13 <u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>
141.14 <u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
141.15 <u>Workers'</u>		
141.16 <u>Compensation</u>	<u>763,000</u>	<u>775,000</u>

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

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

141.21 **Subd. 3. Petroleum Tank Release**
 141.22 **Compensation Board**

1,052,000 1,052,000

141.23 This appropriation is from the petroleum
 141.24 tank fund.

141.25 **Subd. 4. Administrative Services** **7,098,000 7,353,000**

141.26 (a) \$375,000 each year is for additional
 141.27 compliance efforts with unclaimed property.

141.28 The commissioner may issue contracts for
 141.29 these services.

141.30 (b) \$100,000 each year is for the support of
 141.31 broadband development.

141.32 (c) \$130,000 the first year is for rulemaking
 141.33 costs associated with MNvest registration

142.1 exemptions under Minnesota Statutes, section
 142.2 80A.461. This is a onetime appropriation.

142.3 Subd. 5. **Telecommunications**

142.4	<u>Appropriations by Fund</u>		
142.5	<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
142.6	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>

142.7 \$1,240,000 each year is from the
 142.8 telecommunication access fund for the
 142.9 following transfers. This appropriation is
 142.10 added to the department's base.

142.11 (1) \$800,000 each year is to the commissioner
 142.12 of human services to supplement the ongoing
 142.13 operational expenses of the Commission
 142.14 of Deaf, DeafBlind, and Hard-of-Hearing
 142.15 Minnesotans;

142.16 (2) \$290,000 each year is to the chief
 142.17 information officer for the purpose of
 142.18 coordinating technology accessibility and
 142.19 usability;

142.20 (3) \$100,000 each year is to the Legislative
 142.21 Coordinating Commission for captioning of
 142.22 legislative coverage; and

142.23 (4) \$50,000 each year is to the Office of
 142.24 MN.IT Services for a consolidated access
 142.25 fund to provide grants to other state agencies
 142.26 related to accessibility of their Web-based
 142.27 services.

142.28 Subd. 6. **Enforcement**

142.29	<u>Appropriations by Fund</u>		
142.30	<u>General</u>	<u>5,707,000</u>	<u>5,707,000</u>
142.31	<u>Workers'</u>		
142.32	<u>Compensation</u>	<u>201,000</u>	<u>204,000</u>

142.33 \$279,000 each year is from the general fund
 142.34 for health care enforcement.

143.1	<u>Subd. 7. Energy Resources</u>	<u>4,424,000</u>	<u>3,415,000</u>
143.2	<u>(a) \$150,000 each year is for grants to</u>		
143.3	<u>providers of low-income weatherization</u>		
143.4	<u>services to install renewable energy</u>		
143.5	<u>equipment in households that are eligible for</u>		
143.6	<u>weatherization assistance under Minnesota's</u>		
143.7	<u>weatherization assistance program state</u>		
143.8	<u>plan as provided for in Minnesota Statutes,</u>		
143.9	<u>section 239.101.</u>		
143.10	<u>(b) \$1,000,000 in fiscal year 2016 is for</u>		
143.11	<u>the state's defense of the Next Generation</u>		
143.12	<u>Energy Act in Laws 2007, chapter 136. This</u>		
143.13	<u>appropriation is onetime.</u>		
143.14	<u>(c) A Minnesota-based nonprofit with</u>		
143.15	<u>demonstrated expertise and capability</u>		
143.16	<u>in energy efficiency, energy technology</u>		
143.17	<u>research, and conservation improvement</u>		
143.18	<u>program delivery is eligible to apply for</u>		
143.19	<u>an applied research and development grant</u>		
143.20	<u>under Minnesota Statutes, section 216B.241,</u>		
143.21	<u>subdivision 1e, in order to establish and</u>		
143.22	<u>operate an energy technology business</u>		
143.23	<u>accelerator. The grant recipient must provide</u>		
143.24	<u>a 25 percent match for any grant amounts</u>		
143.25	<u>received with cash or in-kind contributions.</u>		
143.26	<u>Subd. 8. Insurance</u>		
143.27	<u>Appropriations by Fund</u>		
143.28	<u>General</u>	<u>4,395,000</u>	<u>4,304,000</u>
143.29	<u>Workers'</u>		
143.30	<u>Compensation</u>	<u>562,000</u>	<u>571,000</u>
143.31	<u>(a) \$642,000 each year is for health insurance</u>		
143.32	<u>rate review staffing.</u>		
143.33	<u>(b) Of the amount appropriated from the</u>		
143.34	<u>special revenue fund under Minnesota</u>		
143.35	<u>Statutes, section 65B.84, subdivision 1,</u>		

144.1 paragraph (b), \$100,000 is for investigation
 144.2 of insurance company handling of motor
 144.3 vehicle collision repair claims.

144.4 (c) \$300,000 each year is for investigation
 144.5 and enforcement of insurance fraud under
 144.6 Minnesota Statutes, section 45.0135,
 144.7 subdivision 9.

144.8 (d) \$91,000 in the first year is for activities
 144.9 of the task force on no-fault auto insurance
 144.10 issues. This is a onetime appropriation.

144.11 Subd. 9. Propane prepurchase. 5,000,000 5,000,000

144.12 \$5,000,000 each year is for the propane
 144.13 prepurchase program under Minnesota
 144.14 Statutes, section 216B.0951. This is a
 144.15 onetime appropriation.

144.16 Sec. 9. PUBLIC UTILITIES COMMISSION \$ 6,966,000 \$ 6,930,000

144.17 Sec. 10. TRANSFERS.

144.18 (a) Of the amount deposited into the contingent account created under Minnesota
 144.19 Statutes, section 268.199, \$3,500,000 in fiscal year 2016 and \$3,500,000 in fiscal year
 144.20 2017 shall be transferred before the closing of each fiscal year to the general fund.

144.21 (b) Of the amount of surplus workforce development fund money reallocated
 144.22 under Minnesota Statutes, section 116L.05, subdivision 5, by the Minnesota Job Skills
 144.23 Partnership Board in fiscal year 2015, \$6,000,000 shall be canceled and credited back to
 144.24 the workforce development fund.

144.25 Sec. 11. LEGAL FEES; ITASCA COUNTY.

144.26 The commissioner of employment and economic development shall grant the
 144.27 unspent amount from the Minnesota minerals 21st century fund appropriation in Laws
 144.28 2007, chapter 135, article 1, section 3, subdivision 2, paragraph (y), to Itasca County for
 144.29 legal fees for recovering business subsidy funds according to Minnesota Statutes, section
 144.30 116J.994, and under the reimbursement agreement dated September 9, 2008.

145.1 **ARTICLE 6**

145.2 **DEPARTMENT OF LABOR AND INDUSTRY**

145.3 Section 1. Minnesota Statutes 2014, section 326B.092, subdivision 7, is amended to
145.4 read:

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

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

145.10 (1) if the initial license is not issued for a whole number of years, the license duration
145.11 shall be rounded up to the next whole number; and

145.12 (2) if the department receives an application for license renewal after the renewal
145.13 deadline, license duration means the number of years for which the renewed license would
145.14 have been issued if the renewal application had been submitted on time and all other
145.15 requirements for renewal had been met.

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

145.19 License Classification	145.19 License Duration		
	145.20 1 Year	145.20 2 Years	145.20 3 Years
145.21 Entry level	\$10	\$20	\$30
145.22 Journeyman			
145.23 <u>Journeyworker</u>	\$20	\$40	\$60
145.24 Master	\$40	\$80	\$120
145.25 Business	\$90	\$180	\$270

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

145.31 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
145.32 326B.93, then a board fee must be included in the license fee and the renewal license fee.
145.33 The board fee for all license classifications shall be: \$4 if the license duration is one year;
145.34 \$8 if the license duration is two years; ~~and \$12 if the license duration is three years.~~

145.35 (f) If the application is for the renewal of a license issued under sections 326B.802
145.36 to 326B.885, then the contractor recovery fund fee required under section 326B.89,

146.1 subdivision 3, and any additional assessment required under section 326B.89, subdivision
146.2 16, must be included in the license renewal fee.

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

146.5	<u>License Classification</u>	<u>License Duration</u>	
146.6		<u>1 year</u>	<u>2 years</u>
146.7	<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>
146.8	<u>Journeyworker</u>	<u>\$15</u>	<u>\$35</u>
146.9	<u>Master</u>	<u>\$30</u>	<u>\$75</u>
146.10	<u>Business</u>		<u>\$160</u>

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

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

146.15 **326B.096 REINSTATEMENT OF LICENSES.**

146.16 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
146.17 this chapter and if an applicant for a license needs to pass an examination administered by
146.18 the commissioner before becoming licensed, then, in order to have the license reinstated,
146.19 the person who holds the revoked license must:

146.20 (1) retake the examination and achieve a passing score; and

146.21 (2) meet all other requirements for an initial license, including payment of the
146.22 application and examination fee and the license fee. The person holding the revoked
146.23 license is not eligible for Minnesota licensure without examination based on reciprocity.

146.24 (b) If a license is revoked under a chapter other than this chapter, then, in order to
146.25 have the license reinstated, the person who holds the revoked license must:

146.26 (1) apply for reinstatement to the commissioner no later than two years after the
146.27 effective date of the revocation;

146.28 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
146.29 fee; and

146.30 (3) meet all applicable requirements for licensure, except that, unless required by the
146.31 order revoking the license, the applicant does not need to retake any examination and does
146.32 not need to repay a license fee that was paid before the revocation.

146.33 Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order
146.34 to have the license reinstated, the person who holds the suspended license must:

146.35 (1) apply for reinstatement to the commissioner no later than two years after the
146.36 completion of the suspension period;

147.1 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
147.2 fee; and

147.3 (3) meet all applicable requirements for licensure, except that, unless required by the
147.4 order suspending the license, the applicant does not need to retake any examination and
147.5 does not need to repay a license fee that was paid before the suspension.

147.6 Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an
147.7 individual may voluntarily terminate a license issued to the person under this chapter. If a
147.8 licensee has voluntarily terminated a license under this subdivision, then, in order to have
147.9 the license reinstated, the person who holds the terminated license must:

147.10 (1) apply for reinstatement to the commissioner no later than the date that the license
147.11 would have expired if it had not been terminated;

147.12 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
147.13 fee; and

147.14 (3) meet all applicable requirements for licensure, except that the applicant does not
147.15 need to repay a license fee that was paid before the termination.

147.16 **EFFECTIVE DATE.** The amendments to this section are effective July 1, 2015,
147.17 and expire July 1, 2017.

147.18 Sec. 3. Minnesota Statutes 2014, section 326B.106, subdivision 1, is amended to read:

147.19 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and
147.20 sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation
147.21 with the Construction Codes Advisory Council establish a code of standards for the
147.22 construction, reconstruction, alteration, and repair of buildings, governing matters of
147.23 structural materials, design and construction, fire protection, health, sanitation, and safety,
147.24 including design and construction standards regarding heat loss control, illumination,
147.25 and climate control. The code must also include duties and responsibilities for code
147.26 administration, including procedures for administrative action, penalties, and suspension
147.27 and revocation of certification. The code must conform insofar as practicable to model
147.28 building codes generally accepted and in use throughout the United States, including a
147.29 code for building conservation. In the preparation of the code, consideration must be
147.30 given to the existing statewide specialty codes presently in use in the state. Model codes
147.31 with necessary modifications and statewide specialty codes may be adopted by reference.
147.32 The code must be based on the application of scientific principles, approved tests, and
147.33 professional judgment. To the extent possible, the code must be adopted in terms of
147.34 desired results instead of the means of achieving those results, avoiding wherever possible
147.35 the incorporation of specifications of particular methods or materials. To that end the code

148.1 must encourage the use of new methods and new materials. Except as otherwise provided
148.2 in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the
148.3 provisions of those sections.

148.4 (b) The commissioner shall develop rules addressing the plan review fee assessed
148.5 to similar buildings without significant modifications including provisions for use of
148.6 building systems as specified in the industrial/modular program specified in section
148.7 326B.194. Additional plan review fees associated with similar plans must be based on
148.8 costs commensurate with the direct and indirect costs of the service.

148.9 (c) Beginning with the 2018 edition of the model building codes and every six
148.10 years thereafter, the commissioner shall review the new model building codes and adopt
148.11 the model codes as amended for use in Minnesota, within two years of the published
148.12 edition date. The commissioner may adopt amendments to the building codes prior to the
148.13 adoption of the new building codes to advance construction methods, technology, or
148.14 materials, or, where necessary to protect the health, safety, and welfare of the public, or to
148.15 improve the efficiency or the use of a building.

148.16 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
148.17 residential energy code and the new model commercial energy code in accordance with
148.18 federal law for which the United States Department of Energy has issued an affirmative
148.19 determination in compliance with United States Code, title 42, section 6833. The
148.20 commissioner may adopt amendments prior to adoption of the new energy codes, as
148.21 amended for use in Minnesota, to advance construction methods, technology, or materials,
148.22 or, where necessary to protect the health, safety, and welfare of the public, or to improve
148.23 the efficiency or use of a building.

148.24 **EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to all
148.25 model code adoptions beginning with the 2018 model building code.

148.26 Sec. 4. Minnesota Statutes 2014, section 326B.106, is amended by adding a
148.27 subdivision to read:

148.28 Subd. 1a. **Copies of the code.** The commissioner shall provide copies of the code
148.29 to the public without charge, including the amended model codes adopted by reference.
148.30 The commissioner shall calculate the cost to the department for providing copies of the
148.31 code to the public without charge.

148.32 Sec. 5. Minnesota Statutes 2014, section 326B.13, subdivision 8, is amended to read:

148.33 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is
148.34 effective ~~180~~ 270 days after publication of the rule's notice of adoption in the State Register.

149.1 The rule may provide for a later effective date. The rule may provide for an earlier effective
 149.2 date if the commissioner ~~or board~~ proposing the rule finds that an earlier effective date is
 149.3 necessary to protect public health and safety after considering, among other things, the need
 149.4 for time for training of individuals to comply with and enforce the rule. The commissioner
 149.5 must publish an electronic version of the entire adopted rule chapter on the department's
 149.6 Web site within ten days of receipt from the revisor of statutes. The commissioner shall
 149.7 clearly indicate the effective date of the rule on the department's Web site.

149.8 Sec. 6. Minnesota Statutes 2014, section 326B.986, subdivision 5, is amended to read:

149.9 Subd. 5. **Boiler engineer license fees.** (a) For purposes of calculating license fees
 149.10 and renewal license fees required under section 326B.092:

149.11 (1) the boiler special engineer license is an entry level license;

149.12 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
 149.13 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
 149.14 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
 149.15 license; and

149.16 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
 149.17 chief engineer, Grade B; boiler chief engineer, Grade C; boiler ~~commissioner~~ inspector
 149.18 certificate of competency; and traction or hobby boiler engineer.

149.19 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
 149.20 duration for steam traction and hobby engineer licenses are one year only for the purpose
 149.21 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

149.22 Sec. 7. Minnesota Statutes 2014, section 326B.986, subdivision 8, is amended to read:

149.23 Subd. 8. **Certificate of competency.** ~~The fee for issuance of the original certificate~~
 149.24 ~~of competency is \$85 for inspectors who did not pay the national board examination fee~~
 149.25 ~~specified in subdivision 6, or \$35 for inspectors who paid that examination fee.~~ (a) Each
 149.26 applicant for a certificate of competency must complete an interview with the chief boiler
 149.27 inspector before issuance of the certificate of competency.

149.28 (b) All initial certificates of competency shall be effective for more than one calendar
 149.29 year and shall expire on December 31 of the year after the year in which the application
 149.30 is made. The commissioner shall in a manner determined by the commissioner, without
 149.31 the need for any rulemaking under chapter 14, phase in the renewal of certificates of
 149.32 competency from one calendar year to two calendar years. By June 30, 2011,

150.1 (c) All renewed certificates of competency shall be valid for two calendar years. The
 150.2 fee for renewal of the state of Minnesota certificate of competency is \$35 for one year or
 150.3 \$70 for two years, and is due the day after the certificate expires.

150.4 **EFFECTIVE DATE.** The amendments to paragraphs (a) and (c) are effective July
 150.5 1, 2015, and expire July 1, 2017.

150.6 Sec. 8. Minnesota Statutes 2014, section 341.321, is amended to read:

150.7 **341.321 FEE SCHEDULE.**

150.8 (a) The fee schedule for professional and amateur licenses issued by the
 150.9 commissioner is as follows:

- 150.10 (1) referees, \$80 for each initial license and each renewal;
 150.11 (2) promoters, \$700 for each initial license and each renewal;
 150.12 (3) judges and knockdown judges, \$80 for each initial license and each renewal;
 150.13 (4) trainers and seconds, \$80 for each initial license and each renewal;
 150.14 (5) ring announcers, \$80 for each initial license and each renewal;
 150.15 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 150.16 ~~(7) (6) timekeepers, \$80 for each initial license and each renewal;~~
 150.17 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal \$70;~~
 150.18 (8) amateur combatants, \$50;
 150.19 (9) managers, \$80 for each initial license and each renewal; and
 150.20 (10) ringside physicians, \$80 for each initial license and each renewal.

150.21 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
 150.22 2, if applicable, an individual who applies for a professional license on the same day
 150.23 within the 48 hours preceding when the combative sporting event is held shall pay a late
 150.24 fee of \$100 plus the original license fee of \$120 at the time the application is submitted.

150.25 (b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- 150.26 ~~(1) referees, \$80 for each initial license and each renewal;~~
 150.27 ~~(2) promoters, \$700 for each initial license and each renewal;~~
 150.28 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal;~~
 150.29 ~~(4) trainers, \$80 for each initial license and each renewal;~~
 150.30 ~~(5) ring announcers, \$80 for each initial license and each renewal;~~
 150.31 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 150.32 ~~(7) timekeepers, \$80 for each initial license and each renewal;~~
 150.33 ~~(8) combatant, \$60 for each initial license and each renewal;~~
 150.34 ~~(9) managers, \$80 for each initial license and each renewal; and~~

151.1 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

151.2 ~~(e) (b)~~ The commissioner shall establish a contest fee for each combative sport
 151.3 contest and shall consider the size and type of venue when establishing a contest fee. The
 151.4 professional combative sport contest fee is \$1,500 per event or not more than four percent
 151.5 of the gross ticket sales, whichever is greater, as determined by the commissioner when
 151.6 the combative sport contest is scheduled. The amateur combative sport contest fee shall
 151.7 be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.
 151.8 ~~The commissioner shall consider the size and type of venue when establishing a contest~~
 151.9 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~
 151.10 ~~allowed for each event by rule.~~

151.11 ~~(c)~~ A professional or amateur combative sport contest fee is nonrefundable. and
 151.12 shall be paid as follows:

151.13 (1) \$500 at the time the combative sport contest is scheduled; and

151.14 (2) \$1,000 at the weigh-in prior to the contest.

151.15 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
 151.16 commissioner within 24 hours of the completed contest.

151.17 (d) The commissioner may establish the maximum number of complimentary tickets
 151.18 allowed for each event by rule.

151.19 ~~(d)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
 151.20 commissioner account in the special revenue fund.

151.21 **ARTICLE 7**

151.22 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

151.23 Section 1. Minnesota Statutes 2014, section 116J.394, is amended to read:

151.24 **116J.394 DEFINITIONS.**

151.25 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
 151.26 the meanings given them.

151.27 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
 151.28 subdivision 1, paragraph (b).

151.29 (c) "Broadband infrastructure" means networks of deployed telecommunications
 151.30 equipment and technologies necessary to provide high-speed Internet access and other
 151.31 advanced telecommunications services for end users.

151.32 (d) "Commissioner" means the commissioner of employment and economic
 151.33 development.

152.1 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
 152.2 final leg connecting the broadband service provider's network to the end-use customer's
 152.3 on-premises telecommunications equipment.

152.4 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
 152.5 broadband service provider's core network infrastructure to last-mile infrastructure.

152.6 (g) "Political subdivision" means any county, city, town, school district, special
 152.7 district or other political subdivision, or public corporation.

152.8 (h) "Underserved areas" means areas of Minnesota in which households or businesses
 152.9 lack access to wire-line broadband service at speeds that meet the state broadband goals of
 152.10 ten to 20 megabits per second download and five to ten megabits per second upload.

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

152.15 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

152.16 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
 152.17 commissioner shall give priority to applications that are constructed in areas identified by
 152.18 the director of the Office of Broadband Development as unserved or to promote significant
 152.19 economic growth.

152.20 (b) In evaluating applications and awarding grants, the commissioner may give
 152.21 priority to applications that:

152.22 (1) are constructed in areas identified by the director of the Office of Broadband
 152.23 Development as underserved;

152.24 (2) offer new or substantially upgraded broadband service to important community
 152.25 institutions including, but not limited to, libraries, educational institutions, public safety
 152.26 facilities, and healthcare facilities;

152.27 (3) facilitate the use of telemedicine and electronic health records;

152.28 (4) serve economically distressed areas of the state, as measured by indices of
 152.29 unemployment, poverty, or population loss that are significantly greater than the statewide
 152.30 average;

152.31 (5) provide technical support and train residents, businesses, and institutions in the
 152.32 community served by the project to utilize broadband service;

152.33 (6) include a component to actively promote the adoption of the newly available
 152.34 broadband services in the community;

153.1 (7) provide evidence of strong support for the project from citizens, government,
153.2 businesses, and institutions in the community;

153.3 (8) provide access to broadband service to a greater number of unserved or
153.4 underserved households and businesses; or

153.5 (9) leverage greater amounts of funding for the project from other private and
153.6 public sources.

153.7 (c) The commissioner shall endeavor to award grants under this section to qualified
153.8 applicants in all regions of the state.

153.9 **Sec. 3. [116J.549] WORKFORCE HOUSING GRANTS PROGRAM.**

153.10 **Subdivision 1. Establishment.** A workforce housing grants program is established
153.11 to award grants to qualified cities to be used for qualified expenditures related to the
153.12 construction of or financing for market rate residential rental properties, and includes new
153.13 modular homes or new manufactured homes, or new manufactured homes on leased land
153.14 or in a manufactured home park.

153.15 **Subd. 2. Definitions.** For purposes of this section:

153.16 (1) "commissioner" means the commissioner of employment and economic
153.17 development;

153.18 (2) "local unit of government" means a home rule charter or statutory city or county;

153.19 (3) "qualified city" means a home rule charter or statutory city located outside the
153.20 metropolitan area or an area served by a joint county-city economic development agency;

153.21 (4) "qualified expenditure" means expenditures for the acquisition of property,
153.22 construction of improvements, provisions of loans or subsidies, grants, interest rate
153.23 subsidies, public infrastructure, and related financing costs for market rate residential
153.24 rental properties;

153.25 (5) "market rate residential rental properties" means properties that are rented at
153.26 market value and excludes: (i) properties constructed with financial assistance requiring
153.27 the property to be occupied by residents that meet income limits under federal or state
153.28 law of initial occupancy; and (ii) properties constructed with federal, state, or local flood
153.29 recovery assistance, regardless of whether that assistance imposed income limits as a
153.30 condition of receiving assistance;

153.31 (6) "metropolitan area" means the seven-county metropolitan area as defined by
153.32 section 473.121, subdivision 2; and

153.33 (7) "joint county-city economic development authority" means an economic
153.34 development authority, formed under Laws 1988, chapter 516, section 1, as a joint
153.35 partnership between a city and county and excluding those established by the county only.

154.1 Subd. 3. **Application.** The commissioner shall develop forms and procedures
154.2 for soliciting and reviewing application for grants under this section. At a minimum, a
154.3 city must include in its application a resolution of its governing body certifying that the
154.4 matching amount as required under this section is available and committed.

154.5 Subd. 4. **Program requirements.** The commissioner must not award a grant to a
154.6 city under this section until the following determinations are made:

154.7 (1) the average vacancy rate for rental housing located in the city, and in any city
154.8 located within 25 miles or less of the boundaries of the city, has been three percent or less
154.9 for at least the immediately preceding two-year period;

154.10 (2) one or more businesses located in the city, or within 60 miles of the city, that
154.11 employ a minimum of 20 full-time equivalent employees in aggregate have provided
154.12 a written statement to the city indicating that the lack of available rental housing has
154.13 impeded their ability to recruit and hire employees;

154.14 (3) the city has a population exceeding 1,000;

154.15 (4) the city is located outside the metropolitan area; and

154.16 (5) the city certifies that the grants will be used for qualified expenditures for the
154.17 development of rental housing to serve employees of businesses located in the city
154.18 or surrounding area.

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

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

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

154.30 Sec. 4. Minnesota Statutes 2014, section 116J.8738, subdivision 3, is amended to read:

154.31 Subd. 3. **Certification of qualified business.** (a) A business may apply to
154.32 the commissioner for certification as a qualified business under this section. The
154.33 commissioner shall specify the form of the application, the manner and times for applying,
154.34 and the information required to be included in the application. The commissioner may
154.35 impose an application fee in an amount sufficient to defray the commissioner's cost of

155.1 processing certifications. Application fees are deposited in the greater Minnesota business
 155.2 expansion administration account in the special revenue fund. A business must file a copy
 155.3 of its application with the chief clerical officer of the city at the same time it applies to the
 155.4 commissioner. For an agricultural processing facility located outside the boundaries of a
 155.5 city, the business must file a copy of the application with the county auditor.

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

155.7 (1) satisfies the requirements of subdivision 2;

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

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

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

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

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

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

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

155.30 Sec. 5. Minnesota Statutes 2014, section 116J.8738, is amended by adding a
 155.31 subdivision to read:

155.32 **Subd. 6. Funds.** Amounts in the greater Minnesota business expansion
 155.33 administration account in the special revenue fund are appropriated to the commissioner of
 155.34 employment and economic development for costs associated with processing applications

156.1 under subdivisions 3, 4, and 5, and for personnel and administrative expenses related to
156.2 administering the greater Minnesota business expansion program.

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

156.4 Sec. 6. Minnesota Statutes 2014, section 116L.05, subdivision 5, is amended to read:

156.5 Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year,
156.6 the board ~~may use~~ shall make recommendations to the legislature for additional uses of
156.7 workforce development funds for the purposes outlined in sections 116L.02 and 116L.04,
156.8 ~~or to provide incumbent worker training services under section 116L.18~~ if the following
156.9 conditions have been met:

156.10 (1) the board examines relevant economic indicators, including the projected
156.11 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of
156.12 declining and expanding industries, the number of initial applications for and the number
156.13 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
156.14 information brought to the board's attention;

156.15 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

156.16 (3) based on the past expenditures and projected revenue, the board estimates future
156.17 funding needs for services under section 116L.17 for the remainder of the current fiscal
156.18 year and the next fiscal year;

156.19 (4) the board determines there will be unspent funds after meeting the needs of
156.20 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
156.21 the needs of dislocated workers in the next fiscal year; and

156.22 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
156.23 committees with jurisdiction over the workforce development fund, to the commissioners
156.24 of revenue and management and budget, and to the public.

156.25 Sec. 7. Minnesota Statutes 2014, section 116L.17, subdivision 4, is amended to read:

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

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

157.1 (2) support services, including assistance to help the participant relocate to employ
 157.2 existing skills; out-of-area job search assistance; family care assistance, including child
 157.3 care; commuting assistance; emergency housing and rental assistance; counseling
 157.4 assistance, including personal and financial; health care; emergency health assistance;
 157.5 emergency financial assistance; work-related tools and clothing; and other appropriate
 157.6 support services that enable a person to participate in an employment and training program
 157.7 with the goal of reemployment;

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

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

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

157.24 **Sec. 8. [116L.667] RURAL CAREER COUNSELING COORDINATORS.**

157.25 Subdivision 1. **Requirement.** Each workforce service area located outside of the
 157.26 metropolitan area, as defined in section 473.121, subdivision 2, except for a service area
 157.27 that serves a single city outside of the metropolitan area, must have a career counseling
 157.28 coordinator who is responsible for improving coordination and communication of
 157.29 workforce development programs and services within the workforce service area, with
 157.30 other workforce service areas and career counseling coordinators, and with administering
 157.31 agencies. A career counseling coordinator may serve as the coordinator for up to two
 157.32 service areas.

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

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

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

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

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

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

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

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

158.19 Subd. 3. **Reporting; consolidation.** The workforce council in each of the workforce
 158.20 service areas having a career counseling coordinator shall submit an annual report to
 158.21 the commissioner that includes, but is not limited to, a narrative of and the number of
 158.22 businesses, job seekers, and other stakeholders served by the career counseling coordinator
 158.23 function, an accounting of workforce development and career counseling programs
 158.24 and services offered in the assigned workforce service area, and any recommendations
 158.25 for changes to workforce development efforts in the workforce service area. Beginning
 158.26 January 15, 2016, and each year thereafter, the commissioner shall consolidate the reports
 158.27 and submit the consolidated report to the legislative committees with jurisdiction over
 158.28 economic development and workforce policy and finance.

158.29 Sec. 9. Minnesota Statutes 2014, section 268.035, subdivision 6, is amended to read:

158.30 Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks
 158.31 beginning the date a benefit account is effective. For a benefit account established
 158.32 effective any January 1, April 1, July 1, or October 1, ~~or January 2, 2000, or October 2,~~
 158.33 ~~2011,~~ the benefit year will be a period of 53 calendar weeks.

158.34 **EFFECTIVE DATE.** This section is effective August 2, 2015.

159.1 Sec. 10. Minnesota Statutes 2014, section 268.035, subdivision 21b, is amended to read:

159.2 Subd. 21b. **Preponderance of the evidence.** "Preponderance of the evidence"
159.3 means evidence in substantiation support of a fact that, ~~when weighed against the evidence~~
159.4 ~~opposing the fact~~, is more convincing and has a greater probability of truth than the
159.5 evidence opposing the fact.

159.6 **EFFECTIVE DATE.** This section is effective August 2, 2015.

159.7 Sec. 11. Minnesota Statutes 2014, section 268.035, subdivision 26, is amended to read:

159.8 Subd. 26. **Unemployed.** An applicant is considered "unemployed" ~~(1)~~ in any week
159.9 that:

159.10 (1) the applicant performs less than 32 hours of service in employment, covered
159.11 employment, noncovered employment, self-employment, or volunteer work; and

159.12 (2) any earnings with respect to that week are less than the applicant's weekly
159.13 unemployment benefit amount.

159.14 **EFFECTIVE DATE.** This section is effective August 2, 2015.

159.15 Sec. 12. Minnesota Statutes 2014, section 268.035, subdivision 30, is amended to read:

159.16 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

159.17 (1) that have been actually paid; or

159.18 (2) that have been credited to or set apart so that payment and disposition is under
159.19 the control of the employee.

159.20 (b) Wage payments delayed beyond the regularly scheduled pay date are considered
159.21 "wages paid" on the missed pay date. Back pay is considered "wages paid" on the date
159.22 of actual payment. Any wages earned but not paid with no scheduled date of payment is
159.23 considered "wages paid" on the last day of employment.

159.24 ~~(b)~~ (c) Wages paid does not include wages earned but not paid except as provided
159.25 for in this subdivision.

159.26 **EFFECTIVE DATE.** This section is effective August 2, 2015.

159.27 Sec. 13. Minnesota Statutes 2014, section 268.051, subdivision 7, is amended to read:

159.28 Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned
159.29 a tax rate based upon an experience rating, and has no amounts past due under this
159.30 chapter, may, upon the payment of an amount equivalent to any portion or all of the
159.31 unemployment benefits used in computing the experience rating plus a surcharge of 25
159.32 percent, obtain a cancellation of unemployment benefits used equal to the payment made,

160.1 less the surcharge. The payment is applied to the most recent unemployment benefits paid
 160.2 that are used in computing the experience rating. Upon the payment, the commissioner
 160.3 must compute a new experience rating for the employer, and compute a new tax rate.

160.4 (b) Payments for a tax rate buydown may be made only by electronic payment
 160.5 and must be received within 120 calendar days from the beginning of the calendar year
 160.6 for which the tax rate is effective.

160.7 ~~(c) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided~~
 160.8 ~~for in paragraph (a) does not apply.~~

160.9 **EFFECTIVE DATE.** This section is effective August 2, 2015.

160.10 Sec. 14. Minnesota Statutes 2014, section 268.07, subdivision 2, is amended to read:

160.11 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to
 160.12 establish a benefit account an applicant must have total wage credits in the applicant's four
 160.13 quarter base period of at least: ~~(1) \$2,400; or (2) 5.3 percent of the state's average annual~~
 160.14 ~~wage rounded down to the next lower \$100, whichever is higher.~~

160.15 (b) To establish a new benefit account ~~within 52 calendar weeks~~ following the
 160.16 expiration of the benefit year on a prior benefit account, an applicant must have performed
 160.17 ~~services~~ actual work in subsequent covered employment and have been paid wages in one
 160.18 or more completed calendar quarters that started after the effective date of the prior benefit
 160.19 account. The wages paid for ~~those services~~ that employment must be at least enough to
 160.20 meet the requirements of paragraph (a). A benefit account under this paragraph may not
 160.21 be established effective earlier than the Sunday following the end of the most recent
 160.22 completed calendar quarter in which the requirements of paragraph (a) were met. ~~One~~
 160.23 ~~of the reasons for this paragraph is to prevent~~ An applicant from establishing may not
 160.24 establish a second benefit account as a result of one loss of employment.

160.25 **EFFECTIVE DATE.** This section is effective August 2, 2015, except the amendment
 160.26 striking "within 52 calendar weeks" is effective the day following final enactment.

160.27 Sec. 15. Minnesota Statutes 2014, section 268.07, subdivision 3b, is amended to read:

160.28 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
 160.29 unemployment benefits is effective the Sunday of the calendar week that the application
 160.30 was filed. An application for unemployment benefits may be backdated one calendar week
 160.31 before the Sunday of the week the application was actually filed if the applicant requests
 160.32 the backdating at the time the application is filed. An application may be backdated only
 160.33 if the applicant was unemployed during the period of the backdating. If an individual

161.1 attempted to file an application for unemployment benefits, but was prevented from filing
161.2 an application by the department, the application is effective the Sunday of the calendar
161.3 week the individual first attempted to file an application.

161.4 (b) A benefit account established under subdivision 2 is effective the date the
161.5 application for unemployment benefits was effective.

161.6 (c) A benefit account, once established, may later be withdrawn only if:

161.7 (1) the applicant has not been paid any unemployment benefits on that benefit
161.8 account; and

161.9 (2) a new application for unemployment benefits is filed and a new benefit account is
161.10 established at the time of the withdrawal.

161.11 A determination or amended determination of eligibility or ineligibility issued under
161.12 section 268.101, that was sent before the withdrawal of the benefit account, remains in
161.13 effect and is not voided by the withdrawal of the benefit account.

161.14 (d) An application for unemployment benefits is not allowed before the Sunday
161.15 following the expiration of the benefit year on a prior benefit account. Except as allowed
161.16 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
161.17 weeks. This paragraph applies to benefit accounts established under any federal law or
161.18 the law of any other state.

161.19 **EFFECTIVE DATE.** This section is effective August 2, 2015.

161.20 Sec. 16. Minnesota Statutes 2014, section 268.085, subdivision 1, is amended to read:

161.21 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
161.22 unemployment benefits for any week if:

161.23 (1) the applicant has filed a continued request for unemployment benefits for that
161.24 week under section 268.0865;

161.25 (2) the week for which unemployment benefits are requested is in the applicant's
161.26 benefit year;

161.27 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

161.28 (4) the applicant was available for suitable employment as defined in subdivision

161.29 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
161.30 day the applicant is unavailable for suitable employment. This clause does not apply to
161.31 an applicant who is in reemployment assistance training, or each day the applicant is on
161.32 jury duty or serving as an election judge;

161.33 (5) the applicant was actively seeking suitable employment as defined in subdivision
161.34 16. This clause does not apply to an applicant who is in reemployment assistance training
161.35 or who was on jury duty throughout the week;

162.1 (6) the applicant has served a nonpayable period of one week that the applicant is
 162.2 otherwise entitled to some amount of unemployment benefits. This clause does not apply
 162.3 if the applicant would have been entitled to federal disaster unemployment assistance
 162.4 because of a disaster in Minnesota, but for the applicant's establishment of a benefit
 162.5 account under section 268.07; and

162.6 (7) the applicant has been participating in reemployment assistance services, such as
 162.7 job development of, and adherence to, a work search and resume writing classes plan, if
 162.8 the applicant has been ~~determined in need of reemployment assistance services directed~~
 162.9 to participate by the commissioner, ~~unless~~. This clause does not apply if the applicant
 162.10 has good cause for failing to participate.

162.11 **EFFECTIVE DATE.** This section is effective August 2, 2015.

162.12 Sec. 17. Minnesota Statutes 2014, section 268.085, subdivision 2, is amended to read:

162.13 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
 162.14 any week:

162.15 (1) that occurs before the effective date of a benefit account;

162.16 (2) that the applicant, at the beginning of the week, has an outstanding fraud
 162.17 overpayment balance under section 268.18, subdivision 2, including any penalties and
 162.18 interest;

162.19 (3) that occurs in a period when the applicant is a student in attendance at, or on
 162.20 vacation from a secondary school including the period between academic years or terms;

162.21 (4) that the applicant is incarcerated or performing court-ordered community service.
 162.22 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
 162.23 the applicant is incarcerated or performing court-ordered community service;

162.24 (5) that the applicant fails or refuses to provide information on an issue of
 162.25 ineligibility required under section 268.101;

162.26 (6) that the applicant is performing services 32 hours or more, in employment,
 162.27 covered employment, noncovered employment, volunteer work, or self-employment
 162.28 regardless of the amount of any earnings; or

162.29 (7) with respect to which the applicant ~~is receiving, has received, or has filed an~~
 162.30 application for unemployment benefits under any federal law or the law of any other
 162.31 state. If the appropriate agency finally determines that the applicant is not entitled to ~~the~~
 162.32 unemployment benefits establish a benefit account under federal law of the law of any
 162.33 other state, this clause does not apply.

162.34 **EFFECTIVE DATE.** This section is effective August 2, 2015.

163.1 Sec. 18. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

163.2 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
163.3 unemployment benefits according to subdivision 10 except when:

163.4 (1) the applicant quit the employment because of a good reason caused by the
163.5 employer as defined in subdivision 3;

163.6 (2) the applicant quit the employment to accept other covered employment that
163.7 provided substantially equal to or better terms and conditions of employment, but
163.8 the applicant did not work long enough at the second employment to have sufficient
163.9 subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed
163.10 under subdivision 10 for quitting the first employment;

163.11 (3) the applicant quit the employment within 30 calendar days of beginning the
163.12 employment because the employment was unsuitable for the applicant;

163.13 (4) the employment was unsuitable for the applicant and the applicant quit to enter
163.14 reemployment assistance training;

163.15 (5) the employment was part time and the applicant also had full-time employment
163.16 in the base period, from which full-time employment the applicant separated because of
163.17 reasons for which the applicant ~~was held~~ is not to be ineligible, and the wage credits from
163.18 the full-time employment are sufficient to meet the minimum requirements to establish a
163.19 benefit account under section 268.07;

163.20 (6) the applicant quit because the employer notified the applicant that the applicant
163.21 was going to be laid off because of lack of work within 30 calendar days. An applicant
163.22 who quit employment within 30 calendar days of a notified date of layoff because of lack
163.23 of work is ineligible for unemployment benefits through the end of the week that includes
163.24 the scheduled date of layoff;

163.25 (7) the applicant quit the employment (i) because the applicant's serious illness or
163.26 injury made it medically necessary that the applicant quit; or (ii) in order to provide
163.27 necessary care because of the illness, injury, or disability of an immediate family member
163.28 of the applicant. This exception only applies if the applicant informs the employer of
163.29 the medical problem and requests accommodation and no reasonable accommodation
163.30 is made available.

163.31 If the applicant's serious illness is chemical dependency, this exception does not
163.32 apply if the applicant was previously diagnosed as chemically dependent or had treatment
163.33 for chemical dependency, and since that diagnosis or treatment has failed to make
163.34 consistent efforts to control the chemical dependency.

163.35 This exception raises an issue of the applicant's being available for suitable
163.36 employment under section 268.085, subdivision 1, that the commissioner must determine;

164.1 (8) the applicant's loss of child care for the applicant's minor child caused the
 164.2 applicant to quit the employment, provided the applicant made reasonable effort to obtain
 164.3 other child care and requested time off or other accommodation from the employer and no
 164.4 reasonable accommodation is available.

164.5 This exception raises an issue of the applicant's being available for suitable
 164.6 employment under section 268.085, subdivision 1, that the commissioner must determine;

164.7 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
 164.8 applicant or an immediate family member of the applicant, necessitated the applicant's
 164.9 quitting the employment.

164.10 For purposes of this subdivision:

164.11 (i) "domestic abuse" has the meaning given in section 518B.01;

164.12 (ii) "sexual assault" means an act that would constitute a violation of sections
 164.13 609.342 to 609.3453 or 609.352; and

164.14 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

164.15 (10) the applicant quit in order to relocate to accompany a spouse whose job location
 164.16 changed making it impractical for the applicant to commute. This exception only applies
 164.17 if the spouse's job is in the military or provides total wages and other compensation that is
 164.18 equal to or better than the applicant's employment.

164.19 **EFFECTIVE DATE.** This section is effective August 2, 2015.

164.20 Sec. 19. Minnesota Statutes 2014, section 268.095, subdivision 10, is amended to read:

164.21 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
 164.22 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
 164.23 unemployment and until the end of the calendar week that the applicant had total wages
 164.24 paid for actual work performed in subsequent covered employment sufficient to meet
 164.25 one-half of the requirements of section 268.07, subdivision 2, paragraph (a).

164.26 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
 164.27 week that the applicant became separated from employment.

164.28 (c) In addition to paragraph (a), if the applicant was discharged from employment
 164.29 because of aggravated employment misconduct, wage credits from that employment are
 164.30 canceled and cannot be used for purposes of a benefit account under section 268.07,
 164.31 subdivision 2.

164.32 **EFFECTIVE DATE.** This section is effective August 2, 2015.

164.33 Sec. 20. Minnesota Statutes 2014, section 268.105, subdivision 3, is amended to read:

165.1 Subd. 3. **Withdrawal of an appeal.** (a) ~~Any~~ An appeal that is pending before
165.2 an unemployment law judge may be withdrawn by the appealing ~~person~~ party, or an
165.3 authorized representative of that ~~person~~ party, ~~upon~~ by filing of a notice of withdrawal. A
165.4 notice of withdrawal may be filed by mail or by electronic transmission.

165.5 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless
165.6 an unemployment law judge directs that further ~~adjudication is~~ proceedings are required
165.7 for a proper result. An order of dismissal issued as a result of a notice of withdrawal is
165.8 not subject to reconsideration or appeal.

165.9 (c) ~~A notice of withdrawal may be filed by mail or by electronic transmission.~~ A
165.10 party may file a new appeal after the order of dismissal, but the original 20-calendar-day
165.11 period for appeal begins from the date of issuance of the determination and that time
165.12 period is not suspended or restarted by the notice of withdrawal and order of dismissal.
165.13 The new appeal may only be filed by mail or facsimile transmission.

165.14 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
165.15 filed under subdivision 2.

165.16 **EFFECTIVE DATE.** This section is effective August 2, 2015.

165.17 Sec. 21. Minnesota Statutes 2014, section 268.105, subdivision 7, is amended to read:

165.18 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ
165.19 of certiorari to the department, review the unemployment law judge's decision on
165.20 reconsideration, provided a petition for the writ is filed with the court and a copy is served
165.21 upon the unemployment law judge or the commissioner and any other party within 30
165.22 calendar days of the sending of the unemployment law judge's decision on reconsideration
165.23 under subdivision 2. Three days are added to the 30-calendar-day period if the decision on
165.24 reconsideration was mailed to the parties.

165.25 (b) Any employer petitioning for a writ of certiorari must pay to the court the
165.26 required filing fee in accordance with the Rules of Civil Appellate Procedure. If the
165.27 employer requests a written transcript of the testimony received at the hearing conducted
165.28 under subdivision 1, the employer must pay to the department the cost of preparing the
165.29 transcript. That money is credited to the administration account.

165.30 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a
165.31 result of an applicant's petition, the department must furnish to the applicant at no cost a
165.32 written transcript of any testimony received at the hearing conducted under subdivision 1,
165.33 and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is
165.34 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

166.1 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment
166.2 law judge or remand the case for further proceedings; or it may reverse or modify the
166.3 decision if the substantial rights of the petitioner may have been prejudiced because the
166.4 findings, inferences, conclusion, or decision are:

166.5 (1) in violation of constitutional provisions;

166.6 (2) in excess of the statutory authority or jurisdiction of the department;

166.7 (3) made upon unlawful procedure;

166.8 (4) affected by other error of law;

166.9 (5) unsupported by substantial evidence in view of the entire record as submitted; or

166.10 (6) arbitrary or capricious.

166.11 (e) The department is considered the primary responding party to any judicial action
166.12 involving an unemployment law judge's decision. The department may be represented by
166.13 an attorney licensed to practice law in Minnesota who is an employee of the department.

166.14 **EFFECTIVE DATE.** This section is effective August 2, 2015.

166.15 Sec. 22. Minnesota Statutes 2014, section 268.136, subdivision 1, is amended to read:

166.16 Subdivision 1. **Shared work plan requirements.** An employer may submit a
166.17 proposed shared work plan for an employee group to the commissioner for approval in a
166.18 manner and format set by the commissioner. The proposed shared work plan must include:

166.19 (1) a certified statement that the normal weekly hours of work of all of the proposed
166.20 participating employees were full time or regular part time but are now reduced, or will be
166.21 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

166.22 (2) the name and Social Security number of each participating employee;

166.23 (3) the number of layoffs that would have occurred absent the employer's ability to
166.24 participate in a shared work plan;

166.25 (4) a certified statement that each participating employee was first hired by the
166.26 employer at least one year before the proposed shared work plan is submitted and is not a
166.27 seasonal, temporary, or intermittent worker;

166.28 (5) the hours of work each participating employee will work each week for the
166.29 duration of the shared work plan, which must be at least 50 percent of the normal weekly
166.30 hours but no more than ~~90~~ 80 percent of the normal weekly hours, except that the plan
166.31 may provide for a uniform vacation shutdown of up to two weeks;

166.32 (6) a certified statement that any health benefits and pension benefits provided by
166.33 the employer to participating employees will continue to be provided under the same
166.34 terms and conditions as though the participating employees' hours of work each week had
166.35 not been reduced;

167.1 (7) a certified statement that the terms and implementation of the shared work plan is
 167.2 consistent with the employer's obligations under state and federal law;

167.3 (8) an acknowledgement that the employer understands that unemployment benefits
 167.4 paid under a shared work plan will be used in computing the future tax rate of a taxpaying
 167.5 employer or charged to the reimbursable account of a nonprofit or government employer;

167.6 (9) the proposed duration of the shared work plan, which must be at least two months
 167.7 and not more than one year, although a plan may be extended for up to an additional
 167.8 year upon approval of the commissioner;

167.9 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
 167.10 proposed shared work plan is submitted; and

167.11 (11) a signature of an owner or officer of the employer who is listed as an owner or
 167.12 officer on the employer's account under section 268.045.

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

167.14 Sec. 23. Minnesota Statutes 2014, section 268.194, subdivision 1, is amended to read:

167.15 Subdivision 1. **Establishment.** There is established as a special state trust fund,
 167.16 separate and apart from all other public money or funds of this state, an unemployment
 167.17 insurance trust fund, that is administered by the commissioner exclusively for the payment
 167.18 of unemployment benefits. This trust fund consists of:

167.19 (1) all taxes collected;

167.20 (2) interest earned upon any money in the trust fund;

167.21 (3) reimbursements paid by nonprofit organizations and the state and political
 167.22 subdivisions;

167.23 (4) tax rate buydown payments under section 268.051, subdivision 7;

167.24 (5) any money received as a loan from the federal unemployment trust fund in
 167.25 accordance with United States Code, title 42, section 1321, of the Social Security Act;

167.26 (6) any other money received under a reciprocal unemployment benefit arrangement
 167.27 with the federal government or any other state;

167.28 (7) money recovered on overpaid unemployment benefits ~~except, if allowed by~~
 167.29 ~~federal law, five percent of any recovered amount is credited to the administration account;~~

167.30 (8) all money credited to the account under this chapter;

167.31 (9) all money credited to the account of Minnesota in the federal unemployment
 167.32 trust fund under United States Code, title 42, section 1103, of the Social Security Act,
 167.33 also known as the Reed Act; and

167.34 (10) all money received for the trust fund from any other source.

168.1 **EFFECTIVE DATE.** This section is effective August 2, 2015.

168.2 Sec. 24. **[268A.031] COMMISSIONER AND EMPLOYEES NOT SUBJECT**
168.3 **TO SUBPOENA.**

168.4 The commissioner and employees of the department shall not be subject to subpoena
168.5 for purposes of providing testimony regarding any client served under this chapter.

168.6 Sec. 25. Laws 2014, chapter 308, article 6, section 14, subdivision 5, is amended to read:

168.7 Subd. 5. **Allocation.** The amount of a grant may not exceed the lesser of \$400,000
168.8 \$1,000,000 or ten 25 percent of the rental housing development project cost. The
168.9 commissioner shall not award a grant to a city without certification by the city that the
168.10 amount of the grant shall be matched by a local unit of government, business, or nonprofit
168.11 organization with \$1 for every \$2 provided in grant funds.

168.12 Sec. 26. **MECHANISMS AND COSTS; MINNESOTA PAID FAMILY AND**
168.13 **MEDICAL LEAVE PROGRAM.**

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

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

168.19 Sec. 28. **SPECIAL UNEMPLOYMENT BENEFIT ASSISTANCE.**

168.20 Notwithstanding Minnesota Statutes, sections 268.085, subdivision 3, paragraph (a),
168.21 and 268.035, subdivision 29, paragraph (a), clause (13), applicants laid off due to lack of
168.22 work from a facility engaged directly in the extraction or processing of iron ore in Itasca
168.23 County, St. Louis County, or Lake County, between March 1, 2015, and December 31,
168.24 2015, will not be ineligible for unemployment benefits because of:

168.25 (1) the receipt of vacation pay from the employer engaged in the extraction or
168.26 processing of iron ore; or

168.27 (2) the receipt of supplemental unemployment benefits from the employer engaged
168.28 in the extraction or processing of iron ore.

168.29 **EFFECTIVE DATE.** This section is effective the day following final enactment and
168.30 is effective retroactively from March 1, 2015. This section expires December 31, 2016.

169.1 Sec. 29. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

169.2 Subdivision 1. **Establishment.** The commissioner of employment and economic
169.3 development shall establish a day training and habilitation grant program in fulfillment
169.4 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for
169.5 competitive, meaningful, and sustained employment in the most integrated setting.

169.6 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms
169.7 have the meanings given them.

169.8 (b) "Day training and habilitation providers" means those organizations whose
169.9 names are listed as Department of Human Services providers in the Minnesota Department
169.10 of Administration, Materials Management Division, ALP Manual, Appendix J, without
169.11 regard to whether they are listed as approved vendors with the Minnesota Department
169.12 of Employment and Economic Development, Division of Rehabilitation Services as a
169.13 community rehabilitation provider, limited-use vendor, or center for independent living,
169.14 and irrespective as to whether they are accredited by CARF International.

169.15 (c) "Competitive employment" means full-time or part-time employment, with or
169.16 without support, in an integrated setting in the community that pays at least minimum
169.17 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage
169.18 and level of benefits paid by the employer for the same or similar work performed by
169.19 workers without a disability.

169.20 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,
169.21 2013, and all subsequent modifications approved by the United States District Court.

169.22 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals
169.23 to day training and habilitation providers seeking proposals to assist the Department
169.24 of Employment and Economic Development in achieving its goals as provided in the
169.25 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes
169.26 by aligning programs, funding, and policies to support people with disabilities to choose,
169.27 secure, and maintain competitive employment and self-employment, including, but not
169.28 limited to, the following activities:

169.29 (1) implementing policies and initiating processes that improve the employment
169.30 outcomes of working adults with disabilities;

169.31 (2) offering incentives for innovation that increase competitive employment in
169.32 the general work force;

169.33 (3) expanding the flexibility in current funding and services to increase competitive
169.34 employment outcomes;

169.35 (4) providing evidence of partnerships with private sector businesses and public
169.36 sector employment; and

170.1 (5) submitting outcome data, required by the department, according to the
 170.2 stipulations of the Olmstead Plan.

170.3 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social
 170.4 Security Administration or state medical review team is eligible to receive services
 170.5 provided with grant funds.

170.6 Subd. 5. **Consultation required.** The commissioner shall consult with the
 170.7 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and
 170.8 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and
 170.9 other governor-appointed disability councils in designing, implementing, and evaluating
 170.10 the competitive grant program.

170.11 Subd. 6. **Report.** On or before February 1, 2016, and annually thereafter, the
 170.12 commissioner shall report to the chairs and ranking minority members of the senate and
 170.13 house of representatives committees having jurisdiction over employment and economic
 170.14 development policy and finance on the amount of funds awarded and the outcomes
 170.15 reported by grantees.

170.16 Sec. 30. **"GETTING TO WORK" GRANT PROGRAM.**

170.17 Subdivision 1. **Creation.** The commissioner of employment and economic
 170.18 development shall make grants to nonprofit organizations to establish and operate
 170.19 programs under this section that provide, repair, or maintain motor vehicles to assist
 170.20 eligible individuals to obtain or maintain employment.

170.21 Subd. 2. **Qualified grantee.** A grantee must:

170.22 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

170.23 (2) at the time of application offer, or have the demonstrated capacity to offer, a
 170.24 motor vehicle program that provides the services required under subdivision 3.

170.25 Subd. 3. **Program requirements.** (a) A program must offer one or more of the
 170.26 following services:

170.27 (1) provision of new or used motor vehicles by gift, sale, or lease;

170.28 (2) motor vehicle repair and maintenance services; or

170.29 (3) motor vehicle loans.

170.30 (b) In addition to the requirements of paragraph (a), a program must offer one or
 170.31 more of the following services:

170.32 (1) financial literacy education;

170.33 (2) education on budgeting for vehicle ownership;

170.34 (3) car maintenance and repair instruction;

171.1 (4) credit counseling; or

171.2 (5) job training related to motor vehicle maintenance and repair.

171.3 (c) A program may also offer other transportation-related support services.

171.4 Subd. 4. **Application.** Applications for a grant must be by a form provided by the
 171.5 commissioner and on a schedule set by the commissioner. Applications must, in addition
 171.6 to any other information required by the commissioner, include the following:

171.7 (1) a detailed description of all services to be offered;

171.8 (2) the area to be served;

171.9 (3) the estimated number of program participants to be served by the grant; and

171.10 (4) a plan for leveraging resources from partners that may include, but are not

171.11 limited to:

171.12 (i) automobile dealers;

171.13 (ii) automobile parts dealers;

171.14 (iii) independent local mechanics and automobile repair facilities;

171.15 (iv) banks and credit unions;

171.16 (v) employers;

171.17 (vi) employment and training agencies;

171.18 (vii) insurance companies and agents;

171.19 (viii) local workforce centers; and

171.20 (ix) educational institutions including vocational institutions and jobs or skills

171.21 training programs.

171.22 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services,
 171.23 a person must:

171.24 (1) have a household income at or below 200 percent of the federal poverty level;

171.25 (2) be at least 18 years of age;

171.26 (3) have a valid driver's license;

171.27 (4) provide the grantee with proof of motor vehicle insurance; and

171.28 (5) demonstrate to the grantee that a motor vehicle is required by the person to
 171.29 obtain or maintain employment.

171.30 (b) This subdivision does not preclude a grantee from imposing additional
 171.31 requirements, not inconsistent with paragraph (a), for the receipt of program services.

171.32 Subd. 6. **Allocation of grants.** The commissioner shall allocate grants to up to 15
 171.33 grantees so that, to the extent feasible, program services are available in every county of
 171.34 the state.

172.1 Subd. 7. **Report to legislature.** By February 15, 2017, the commissioner shall
 172.2 submit a report to the chairs of the house of representatives and senate committees with
 172.3 jurisdiction over workforce and economic development on program outcomes. At a
 172.4 minimum, the report must include:

172.5 (1) the total number of program participants;

172.6 (2) the number of program participants who received each of the following:

172.7 (i) provision of a motor vehicle;

172.8 (ii) motor vehicle repair services; and

172.9 (iii) motor vehicle loan; and

172.10 (3) an analysis of the impact of the "Getting to Work" grant program on the
 172.11 employment rate and wages of program participants.

172.12 **ARTICLE 8**

172.13 **DEPARTMENT OF COMMERCE**

172.14 Section 1. Minnesota Statutes 2014, section 16C.144, is amended by adding a
 172.15 subdivision to read:

172.16 Subd. 7. **Funding.** (a) The commissioner of commerce is authorized to set and fix a
 172.17 fee to fund the program under this section. The fee shall be paid as a percentage of the
 172.18 total investment cost for a project that has received a fully executed work order contract
 172.19 under the conditions imposed by this section. The fee percentage shall be adjusted on the
 172.20 basis of the total value of the contracts approved relative to the funding level needed
 172.21 to operate the program.

172.22 (b) Fees collected under this subdivision must be deposited in the guaranteed energy
 172.23 savings platform account under subdivision 8.

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

172.25 Sec. 2. Minnesota Statutes 2014, section 16C.144, is amended by adding a subdivision
 172.26 to read:

172.27 Subd. 8. **Guaranteed energy savings platform account; appropriation.** (a) A
 172.28 guaranteed energy savings platform account is created as a separate account in the special
 172.29 revenue fund. The account consists of funds donated, allocated, transferred, or otherwise
 172.30 provided to the account, including fees collected and deposited under subdivision 7.
 172.31 Earnings, including interest, dividends, and any other earnings arising from account assets,
 172.32 must be credited to the account.

173.1 (b) Funds in the account are annually appropriated to the commissioner of commerce
173.2 for activities under this section.

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

173.4 Sec. 3. Minnesota Statutes 2014, section 45.0135, is amended by adding a subdivision
173.5 to read:

173.6 Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may,
173.7 upon recommendation of the Commerce Fraud Bureau:

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

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

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

173.13 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained
173.14 exceeds \$5,000;

173.15 (2) \$10,000 if the funds or value of the property or services wrongfully obtained
173.16 exceeds \$1,000 but not more than \$5,000;

173.17 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is
173.18 more than \$500, but not more than \$1,000; and

173.19 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is
173.20 less than \$500.

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

173.25 (d) This section does not affect a person's right to seek recovery against any person
173.26 that commits insurance fraud.

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

173.29 (f) Hearings under this subdivision must be conducted in accordance with chapter
173.30 14 and any other applicable law.

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

173.33 Sec. 3. Minnesota Statutes 2014, section 60D.215, subdivision 2, is amended to read:

174.1 Subd. 2. **Expenses.** Each registered insurer subject to this section is liable for and
174.2 shall pay the reasonable expenses of the commissioner's participation in a supervisory
174.3 college in accordance with subdivision 3, including reasonable travel expenses. For
174.4 purposes of this section, a supervisory college may be convened as either a temporary
174.5 or permanent forum for communication and cooperation between the regulators charged
174.6 with the supervision of the insurer or its affiliates, and the commissioner may establish a
174.7 regular assessment to the insurer for the payment of these expenses. A registered insurer's
174.8 liability for expenses under this subdivision is limited to the actual, incurred costs of the
174.9 commissioner's participation in their supervisory college.

174.10 Sec. 5. **[65B.1325] RIGHT TO CONSULT WITH COUNSEL.**

174.11 An insurer may not settle a claim within 30 days of an accident from which the
174.12 claim arises unless the insurer gives the claimant written disclosure that the claimant has
174.13 the legal right to consult with an attorney in evaluating the settlement and the claimant
174.14 separately and specifically acknowledges the disclosure in writing.

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

174.17 Sec. 6. Minnesota Statutes 2014, section 65B.44, is amended by adding a subdivision
174.18 to read:

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

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

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

174.28 Sec. 4. Minnesota Statutes 2014, section 72B.092, subdivision 1, is amended to read:

174.29 Subdivision 1. **Prohibitions on insurer.** No adjuster or insurer, director, officer,
174.30 broker, agent, attorney-in-fact, employee, or other representative of an insurer shall
174.31 in collision cases:

174.32 (1) limit the freedom of an insured or claimant to choose the shop;

175.1 (2) require that an insured or claimant present the claim or the automobile for loss
 175.2 adjustment or inspection at a particular motor vehicle repair shop or shops designated by
 175.3 the insurer, or a "drive-in" claim center or any other similar facility solely under the
 175.4 control of the insurer;

175.5 (3) engage in boycotts, intimidation or coercive tactics in negotiating repairs to
 175.6 damaged motor vehicles which they insure or are liable to claimants to have repaired;

175.7 (4) attempt to secure, except in an emergency, the insured's or claimant's signature
 175.8 authorizing the party securing the signature to act in behalf of the insured or claimant in
 175.9 selection of a repair shop facility;

175.10 (5) adjust a damage appraisal of a repair shop when the extent of damage is in
 175.11 dispute without conducting a physical inspection of the vehicle;

175.12 (6) specify the use of a particular electronic estimating system, or the use of a
 175.13 particular vendor or software program for the procurement of parts or other materials
 175.14 necessary for the satisfactory repair of the vehicle. This clause does not require the
 175.15 insurer to pay more than a reasonable market price for parts of like kind and quality
 175.16 in adjusting a claim; or

175.17 (7) unilaterally and arbitrarily disregard a repair operation or cost identified by an
 175.18 estimating system, which an insurer and collision repair facility have agreed to utilize
 175.19 in determining the cost of repair.

175.20 Sec. 5. **[80A.461] MNVEST REGISTRATION EXEMPTION.**

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

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

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

175.27 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
 175.28 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
 175.29 230.147, of the entity's assets were located in Minnesota;

175.30 (3) except in the case of an entity whose gross revenue during the most recent period
 175.31 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other
 175.32 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
 175.33 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal
 175.34 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or

176.1 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
176.2 fiscal year, if the MNvest offering begins following the last day;

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

176.6 (5) the entity is not:

176.7 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
176.8 securities, except that the entity may hold securities of one class in an entity that is not
176.9 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
176.10 securities; or

176.11 (ii) subject to the reporting requirements of the Securities and Exchange Act of
176.12 1934, section 13 or 15(d), United States Code, title 15, sections 78m and 78o(d).

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

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

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

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

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

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

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

176.28 Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following
176.29 requirements:

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

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

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

177.1 (4) the MNvest issuer shall require the portal operator to provide or make available
177.2 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
177.3 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
177.4 was in existence. For offerings beginning more than 90 days after the issuer's most recent
177.5 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
177.6 MNvest issuer must provide or make available a balance sheet as of a date not more than
177.7 90 days before the commencement of the MNvest offering for the MNvest issuer's most
177.8 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
177.9 during that period, and the year-to-date period, or inception-to-date period, if shorter,
177.10 corresponding with the more recent balance sheet required by this clause;

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

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

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

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

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

177.28 (8) all payments for the purchase of securities must be held in escrow until the
177.29 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
177.30 stated minimum offering amount. Purchasers will receive a return of all their subscription
177.31 funds if the minimum offering amount is not raised by the stipulated expiration date
177.32 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
177.33 company, savings bank, savings association, or credit union authorized to do business
177.34 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
177.35 the escrow agent, the escrow agent must conduct searches of the issuer, its executive
177.36 officers, directors, governors, and managers, as provided to the escrow agent by the portal

178.1 operator, against the Specially Designated Nationals list maintained by the Office of
178.2 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
178.3 party establishing the escrow account and does not have a duty or liability, contractual
178.4 or otherwise, to an investor or other person except as set forth in the applicable escrow
178.5 agreement or other contract;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

179.6 The MNvest issuer shall require the portal operator to make available to the prospective
179.7 purchaser through the MNvest portal a printable or downloadable disclosure document
179.8 containing the following:

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

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

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

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

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

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

179.26 (7) the terms and conditions of the securities being offered, a description of investor
179.27 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
179.28 maximum amount of securities being offered; either the percentage economic ownership
179.29 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
179.30 applicable, maximum number of securities being offered is sold, or the valuation of the
179.31 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
179.32 interest of the securities being offered; any restrictions on transfer of the securities being
179.33 offered; and a disclosure that any future issuance of securities might dilute the value of
179.34 securities being offered;

179.35 (8) the identity of and consideration payable to a person who has been or will be
179.36 retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and

180.1 sale of the securities, including a portal operator, but excluding (i) persons acting primarily
180.2 as accountants or attorneys, and (ii) employees whose primary job responsibilities involve
180.3 operating the business of the MNvest issuer rather than assisting the MNvest issuer in
180.4 raising capital;

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

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

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

180.13 (12) the following legend must be displayed conspicuously in the disclosure
180.14 document:

180.15 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
180.16 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
180.17 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
180.18 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
180.19 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
180.20 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
180.21 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
180.22 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
180.23 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
180.24 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
180.25 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
180.26 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
180.27 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
180.28 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
180.29 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD
180.30 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
180.31 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

180.32 Subd. 5. **Required certification from MNvest offering purchasers.** Before
180.33 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
180.34 shall require the portal operator to obtain from the prospective purchaser through the
180.35 applicable MNvest portal a written or electronic certification that includes, at a minimum,
180.36 the following statements:

181.1 "I UNDERSTAND AND ACKNOWLEDGE THAT:

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

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

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

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

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

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

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

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

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

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

181.27 (A) I am a Minnesota resident;

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

181.32 (C) the securities and investment opportunities listed on this Web site have not
181.33 been reviewed or approved by any state or federal securities commission or division or
181.34 other regulatory authority, and no such person or authority, including this Web site, has
181.35 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
181.36 investors relating to any offering; and

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

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

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

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

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

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

182.14 (b) A portal operator's registration expires 12 months from the date the administrator
182.15 has approved the entity as a portal operator, and subsequent registration for the succeeding
182.16 12-month period shall be issued upon written application and upon payment of a renewal
182.17 fee of \$200, without filing of further statements or furnishing any further information,
182.18 unless specifically requested by the administrator. This section is not applicable to a
182.19 registered broker-dealer functioning as a portal operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

183.19 (3) the records required to be kept and preserved under this subdivision must be
183.20 maintained in a manner, including by any electronic storage media, that will permit the
183.21 immediate location of any particular document so long as such records are available for
183.22 immediate and complete access by representatives of the administrator. Any electronic
183.23 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
183.24 format; verify automatically the quality and accuracy of the storage media recording
183.25 process; serialize the original and, if applicable, duplicate units storage media, and
183.26 time-date for the required period of retention the information placed on such electronic
183.27 storage media; and be able to download indexes and records preserved on electronic
183.28 storage media to an acceptable medium. In the event that a records retention system
183.29 commingles records required to be kept under this subdivision with records not required to
183.30 be kept, representatives of the administrator may review all commingled records; and

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

183.33 Subd. 8. **Portal operator; privacy of purchaser information.** (a) For purposes of
183.34 this subdivision, "personal information" means information provided to a portal operator
183.35 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
183.36 prospective purchaser or purchaser.

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

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

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

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

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

184.11 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
184.12 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
184.13 issuer; any affiliated issuer; any director, executive officer, other officer participating in
184.14 the MNvest offering, general partner, or managing member of the MNvest issuer; any
184.15 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
184.16 securities, calculated on the basis of voting power; any promoter connected with the
184.17 MNvest issuer in any capacity at the time of the sale; any investment manager of an
184.18 issuer that is a pooled investment fund; any general partner or managing member of any
184.19 investment manager; or any director, executive officer, or other officer participating in
184.20 the offering of any investment manager or general partner or managing member of the
184.21 investment manager:

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

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

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

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

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

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

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

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

185.1 (3) is subject to a final order of a state securities commission or an agency or officer
185.2 of a state performing like functions; a state authority that supervises or examines banks,
185.3 savings associations, or credit unions; a state insurance commission or an agency or
185.4 officer of a state performing like functions; an appropriate federal banking agency; the
185.5 United States Commodity Futures Trading Commission; or the National Credit Union
185.6 Administration that:

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

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

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

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

185.14 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
185.15 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
185.16 15, section 78o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
185.17 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:

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

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

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

185.26 (i) any scienter-based antifraud provision of the federal securities laws, including
185.27 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
185.28 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
185.29 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
185.30 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
185.31 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
185.32 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

185.33 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

185.34 (6) is suspended or expelled from membership in, or suspended or barred from
185.35 association with a member of, a registered national securities exchange or a registered

186.1 national or affiliated securities association for any act or omission to act constituting
186.2 conduct inconsistent with just and equitable principles of trade;

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

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

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

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

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

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

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

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

186.30 (1) in control of the issuer; or

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

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

187.1 Sec. 6. Minnesota Statutes 2014, section 80A.84, is amended to read:

187.2 **80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

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

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

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

187.11 (2) a part of a record filed in connection with a registration statement under sections
187.12 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains
187.13 trade secrets or confidential information if the person filing the registration statement or
187.14 report has asserted a claim of confidentiality or privilege that is authorized by law;

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

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

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

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

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

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

187.26 (7) a record furnished to the administrator by a portal operator under section
187.27 80A.461, subdivision 7, paragraph (e).

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

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

187.34 Sec. 7. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

188.1 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
188.2 eligible applicants for reimbursable costs.

188.3 (b) The following costs are reimbursable for purposes of this chapter:

188.4 (1) corrective action costs incurred by the applicant and documented in a form
188.5 prescribed by the board, ~~except~~ including the costs related to the physical removal of a
188.6 tank when the removal was requested or ordered by the commissioner as necessary for
188.7 corrective action under this chapter;

188.8 (2) costs that the responsible person is legally obligated to pay as damages to third
188.9 parties for bodily injury, property damage, or corrective action costs incurred by a third
188.10 party caused by a release where the responsible person's liability for the costs has been
188.11 established by a court order or court-approved settlement; and

188.12 (3) up to 180 days of interest costs associated with the financing of corrective action
188.13 and incurred by the applicant in a written extension of credit or loan that has been signed by
188.14 the applicant and executed after July 1, 2002, provided that the applicant documents that:

188.15 (i) the interest costs are incurred as a result of an extension of credit or loan from a
188.16 financial institution; and

188.17 (ii) the board has not considered the application within the applicable time frame
188.18 specified in subdivision 2a, paragraph (c).

188.19 Interest costs meeting the requirements of this clause are eligible only when they are
188.20 incurred between the date a complete initial application is received by the board, or the
188.21 date a complete supplemental application is received by the board, and the date that the
188.22 board first notifies the applicant of its reimbursement determination. An application is
188.23 complete when the information reasonably required or requested by the board's staff
188.24 from the applicant has been received by the board's staff. Interest costs are not eligible
188.25 for reimbursement to the extent they exceed two percentage points above the adjusted
188.26 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
188.27 extension of credit or loan was executed.

188.28 (c) A cost for liability to a third party is incurred by the responsible person when an
188.29 order or court-approved settlement is entered that sets forth the specific costs attributed
188.30 to the liability. Except as provided in this paragraph, reimbursement may not be made
188.31 for costs of liability to third parties until all eligible corrective action costs have been
188.32 reimbursed. If a corrective action is expected to continue in operation for more than one
188.33 year after it has been fully constructed or installed, the board may estimate the future
188.34 expense of completing the corrective action and, after subtracting this estimate from the
188.35 total reimbursement available under subdivision 3, reimburse the costs for liability to third
188.36 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

189.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to
189.2 applications for reimbursement pending or received on or after that date, including those
189.3 that include tank removal costs previously denied payment by the board.

189.4 Sec. 8. Minnesota Statutes 2014, section 216B.1694, subdivision 3, is amended to read:

189.5 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant, and biomass or
189.6 other feedstock gasification facilities and related fuel or other conversion facilities, that is
189.7 are located on one site designated as an innovative energy project site under subdivision
189.8 1, clause (3), is are accorded the regulatory incentives granted to an innovative energy
189.9 project under subdivision 2, clauses (1) to (3), and may exercise the authorities therein.

189.10 (b) Following issuance of a final state or federal environmental impact statement for
189.11 an innovative energy project that was a subject of contested case proceedings before an
189.12 administrative law judge:

189.13 (1) site and route permits and water appropriation approvals for an innovative energy
189.14 project must also be deemed valid for a plant meeting the requirements of paragraph (a)
189.15 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required
189.16 state or federal preconstruction permit is issued or (ii) June 30, 2019; and

189.17 (2) no air, water, or other permit issued by a state agency that is necessary for
189.18 constructing an innovative energy project may be the subject of contested case hearings,
189.19 notwithstanding Minnesota Rules, parts 7000.1750 to 7000.2200.

189.20 Sec. 9. Minnesota Statutes 2014, section 216B.62, subdivision 3b, is amended to read:

189.21 Subd. 3b. **Assessment for department regional and national duties.** In addition
189.22 to other assessments in subdivision 3, the department may assess up to \$1,000,000 per
189.23 fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount
189.24 in this subdivision shall be assessed to energy utilities in proportion to their respective
189.25 gross operating revenues from retail sales of gas or electric service within the state
189.26 during the last calendar year and shall be deposited into an account in the special revenue
189.27 fund and is appropriated to the commissioner of commerce for the purposes of section
189.28 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to
189.29 the cap on assessments provided in subdivision 3 or any other law. For the purpose of
189.30 this subdivision, an "energy utility" means public utilities, generation and transmission
189.31 cooperative electric associations, and municipal power agencies providing natural gas or
189.32 electric service in the state. ~~This subdivision expires June 30, 2015.~~

189.33 Sec. 9. Minnesota Statutes 2014, section 332.31, subdivision 3, is amended to read:

190.1 Subd. 3. **Collection agency.** "Collection agency" means and includes any person
190.2 engaged in the business of collection for others any account, bill or other indebtedness
190.3 except as hereinafter provided. It includes persons who furnish collection systems carrying
190.4 a name which simulates the name of a collection agency and who supply forms or form
190.5 letters to be used by the creditor, even though such forms direct the debtor to make payments
190.6 directly to the creditor rather than to such fictitious agency. The term also includes any
190.7 person engaged in a business the principal purpose of which is the collection of any debts.

190.8 Sec. 10. Minnesota Statutes 2014, section 332.31, subdivision 6, is amended to read:

190.9 Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection
190.10 agency under subdivision 3, and on its behalf in the business of collection for others an
190.11 account, bill, or other indebtedness except as otherwise provided in this chapter. The term
190.12 includes a person acting under the authority of a collection agency under subdivision 3
190.13 that is engaged in a business the principal purpose of which is the collection of any debts.

190.14 Sec. 11. Laws 2014, chapter 312, article 2, section 14, is amended to read:

190.15 Sec. 14. **ASSIGNED RISK TRANSFER.**

190.16 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of
190.17 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
190.18 Statutes, section 79.252, the commissioner of management and budget shall transfer
190.19 the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This
190.20 transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision
190.21 1, paragraph (a), clause (1). This is a onetime transfer.

190.22 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
190.23 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
190.24 created under Minnesota Statutes, section 79.252, the commissioner of management and
190.25 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each
190.26 year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section
190.27 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section
190.28 79.251, subdivision 1, paragraph (a), clause (1), but after the transfer authorized in
190.29 paragraph (a). The total amount authorized for all transfers under this paragraph must not
190.30 exceed \$24,100,000. This paragraph expires the day following the transfer in which the
190.31 total amount transferred under this paragraph to the Minnesota minerals 21st century
190.32 fund equals \$24,100,000.

190.33 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of
190.34 an audit that there is an excess surplus in the assigned risk plan created under Minnesota

191.1 Statutes, section 79.252, the commissioner of management and budget shall transfer the
191.2 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
191.3 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
191.4 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If
191.5 a transfer occurs under this paragraph, the amount transferred is appropriated from the
191.6 general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes
191.7 of section 15. Both the transfer and appropriation under this paragraph are onetime. The
191.8 appropriation in this paragraph is available until June 30, 2018.

191.9 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of
191.10 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
191.11 Statutes, section 79.252, the commissioner of management and budget shall transfer the
191.12 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
191.13 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
191.14 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If
191.15 a transfer occurs under this paragraph, the amount transferred is appropriated from the
191.16 general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes
191.17 of section 15. Both the transfer and appropriation under this paragraph are onetime. The
191.18 appropriation in this paragraph is available until June 30, 2019.

191.19 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of
191.20 management and budget shall transfer to the assigned risk plan under Minnesota Statutes,
191.21 section 79.252, any unencumbered or unexpended balance of the appropriations under
191.22 paragraphs (c) and (d) remaining on June 30, 2017, or the date the commissioner of
191.23 commerce determines that an excess surplus in the assigned risk plan does not exist,
191.24 whichever occurs earlier.

191.25 Sec. 12. **PUBLIC UTILITY SOLAR PROJECT.**

191.26 The public utility for a solar project by or in cooperation with the public utility and
191.27 the Minnesota Army National Guard at a military and civilian training facility in Morrison
191.28 County must install when completing the solar project only solar photovoltaic modules that:

191.29 (1) meet the "Made in Minnesota" qualification requirements under Minnesota
191.30 Statutes, section 216C.413;

191.31 (2) comply with the "Made in USA" standard established by the United States
191.32 Federal Trade Commission because all or virtually all of the product's significant parts
191.33 and processing are of United States origin;

191.34 (3) provide local economic benefits derived from the purchase and use of modules
191.35 manufactured in-state;

192.1 (4) demonstrate the manufacturer's and supplier's total combined experience as
192.2 supported by evidence of years of solar manufacturing experience, manufacturing
192.3 certifications, component sourcing criteria, testing, and number of years of actual field
192.4 experience;

192.5 (5) have the projected performance of the solar modules over an expected life of 30
192.6 years or more as supported by product design, third-party lab testing, and manufacturer's
192.7 and component supplier's field experience;

192.8 (6) have the projected durability, safety, and reliability of the solar modules over an
192.9 expected life of 30 years or more, as supported by product design, third-party lab testing,
192.10 and manufacturer's and component supplier's field experience;

192.11 (7) offer a minimum ten-year solar module workmanship warranty and 30-year solar
192.12 module power warranty, with a minimum warranted power performance of 80 percent
192.13 in year 30; and

192.14 (8) provide a third-party certification supporting the environmental sustainability of
192.15 module component sources and manufacturing processes.

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

192.17 Sec. 13. **PREPURCHASING PROPANE; REPORT.**

192.18 (a) The commissioner of commerce shall conduct a study of the operation of the
192.19 propane prepurchase program under Minnesota Statutes, section 216B.0951. The study
192.20 must address:

192.21 (1) the amount and price of propane prepurchased;

192.22 (2) the locations where prepurchased propane was stored and any costs of storage;

192.23 (3) a description of how the propane was distributed to customers, focusing on the
192.24 activities of the local agencies that deliver energy assistance and propane distributors;

192.25 (4) a description of any obstacles that interfered with the efficient operation of the
192.26 program, and suggestions for overcoming those obstacles; and

192.27 (5) an estimate of the savings that accrued to propane customers as a result of the
192.28 prepurchase program.

192.29 (b) By January 1 of 2016 and 2017, the commissioner of commerce shall submit a
192.30 report containing the information required under this section for the previous calendar year
192.31 to the chairs and ranking minority members of the senate and house of representatives
192.32 committees with primary responsibility for energy policy.

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

193.1 Sec. 17. **TASK FORCE ON NO-FAULT AUTO INSURANCE ISSUES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

193.23 Chapter;

193.24 (14) a person appointed by the Medical Group Management Association of
193.25 Minnesota;

193.26 (15) a representative of a medical consulting company specializing in the delivery of
193.27 independent medical examinations, appointed by the commissioner;

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

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

193.30 (b) Compensation and expense reimbursement must be as provided under Minnesota
193.31 Statutes, section 15.059, subdivision 3, to members of the task force.

193.32 (c) The commissioner of commerce shall convene the task force by August 1, 2015,
193.33 and shall appoint a chair from the membership of the task force. Staffing and technical
193.34 assistance must be provided by the Department of Commerce.

193.35 **Subd. 3. Duties.** The task force shall review and evaluate the following issues
193.36 related to no-fault automobile insurance reform:

- 194.1 (1) no-fault arbitration process;
 194.2 (2) independent medical exam process;
 194.3 (3) treatment standards and fee schedules; and
 194.4 (4) no-fault health provider oversight.

194.5 Subd. 4. **Report.** By February 1, 2016, the task force must submit to the
 194.6 chairs and ranking minority members of the house of representatives and senate
 194.7 committees and divisions with primary jurisdiction over commerce and transportation its
 194.8 written recommendations, including any draft legislation necessary to implement the
 194.9 recommendations.

194.10 Subd. 5. **Expiration.** The task force expires the day after submitting the report
 194.11 under subdivision 4, or February 2, 2016, whichever is earlier.

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

194.13 **ARTICLE 9**

194.14 **IRON RANGE RESOURCES**

194.15 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 1, is amended to read:

194.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
 194.17 revenue of a district is defined as follows:

194.18 (1) the amount needed to produce between five and six percent in excess of the
 194.19 amount needed to meet when due the principal and interest payments on the obligations
 194.20 of the district for eligible projects according to subdivision 2, including the amounts
 194.21 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
 194.22 to 298.298, debt service loans and capital loans, lease purchase payments under section
 194.23 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision
 194.24 5, paragraph (a), minus

194.25 (2) the amount of debt service excess levy reduction for that school year calculated
 194.26 according to the procedure established by the commissioner.

194.27 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

194.28 (1) obligations under section 123B.61;

194.29 (2) the part of debt service principal and interest paid from the taconite ~~environmental~~
 194.30 ~~protection~~ economic development fund or Douglas J. Johnson economic protection trust,
 194.31 excluding the portion of taconite payments from the Iron Range school consolidation and
 194.32 cooperatively operated school account under section 298.28, subdivision 7a;

194.33 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
 194.34 amended by Laws 1992, chapter 499, article 5, section 24;

195.1 (4) obligations under section 123B.62; and

195.2 (5) obligations equalized under section 123B.535.

195.3 (c) For purposes of this section, if a preexisting school district reorganized under
195.4 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
195.5 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
195.6 service equalization aid must be computed separately for each of the preexisting districts.

195.7 (d) For purposes of this section, the adjusted net tax capacity determined according
195.8 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
195.9 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

195.10 Sec. 2. Minnesota Statutes 2014, section 298.018, subdivision 1, is amended to read:

195.11 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
195.12 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
195.13 taconite assistance area defined in section 273.1341, shall be allocated as follows:

195.14 (1) five percent to the city or town within which the minerals or energy resources
195.15 are mined or extracted, or within which the concentrate was produced. If the mining
195.16 and concentration, or different steps in either process, are carried on in more than one
195.17 taxing district, the commissioner shall apportion equitably the proceeds among the
195.18 cities and towns by attributing 50 percent of the proceeds of the tax to the operation of
195.19 mining or extraction, and the remainder to the concentrating plant and to the processes of
195.20 concentration, and with respect to each thereof giving due consideration to the relative
195.21 extent of the respective operations performed in each taxing district;

195.22 (2) ten percent to the taconite municipal aid account to be distributed as provided
195.23 in section 298.282;

195.24 (3) ten percent to the school district within which the minerals or energy resources
195.25 are mined or extracted, or within which the concentrate was produced. If the mining
195.26 and concentration, or different steps in either process, are carried on in more than one
195.27 school district, distribution among the school districts must be based on the apportionment
195.28 formula prescribed in clause (1);

195.29 (4) 20 percent to a group of school districts comprised of those school districts
195.30 wherein the mineral or energy resource was mined or extracted or in which there is a
195.31 qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion
195.32 to school district indexes as follows: for each school district, its pupil units determined
195.33 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
195.34 average adjusted net tax capacity per pupil unit for school districts receiving aid under
195.35 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year

196.1 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
 196.2 Each district shall receive that portion of the distribution which its index bears to the sum
 196.3 of the indices for all school districts that receive the distributions;

196.4 (5) 20 percent to the county within which the minerals or energy resources are
 196.5 mined or extracted, or within which the concentrate was produced. If the mining and
 196.6 concentration, or different steps in either process, are carried on in more than one county,
 196.7 distribution among the counties must be based on the apportionment formula prescribed in
 196.8 clause (1), provided that any county receiving distributions under this clause shall pay one
 196.9 percent of its proceeds to the Range Association of Municipalities and Schools;

196.10 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be
 196.11 distributed as provided in sections 273.134 to 273.136;

196.12 (7) five percent to the Iron Range Resources and Rehabilitation Board for the
 196.13 purposes of section 298.22;

196.14 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

196.15 (9) seven percent to the taconite ~~environmental protection~~ economic development
 196.16 fund.

196.17 The proceeds of the tax shall be distributed on July 15 each year.

196.18 Sec. 3. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

196.19 Subdivision 1. **The Office of the Commissioner of Iron Range resources**
 196.20 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
 196.21 rehabilitation is created as an agency in the executive branch of state government. The
 196.22 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
 196.23 section 15.06.

196.24 (b) The commissioner may hold other positions or appointments that are not
 196.25 incompatible with duties as commissioner of ~~Iron Range resources and rehabilitation~~. The
 196.26 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
 196.27 including the payment of staff and other assistance as may be necessary, must be paid
 196.28 out of the amounts appropriated by section 298.28 or otherwise made available by law
 196.29 to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner
 196.30 may utilize contracting options available under section 471.345 when the commissioner
 196.31 determines it is in the best interest of the agency. The agency is not subject to sections
 196.32 16E.016 and 16C.05.

196.33 (c) When the commissioner determines that distress and unemployment exists or
 196.34 may exist in the future in any county by reason of the removal of natural resources or
 196.35 a possibly limited use of natural resources in the future and any resulting decrease in

197.1 employment, the commissioner may use whatever amounts of the appropriation made to
 197.2 the commissioner of revenue in section 298.28 that are determined to be necessary and
 197.3 proper in the development of the remaining resources of the county and in the vocational
 197.4 training and rehabilitation of its residents, ~~except that the amount needed to cover cost~~
 197.5 ~~overruns awarded to a contractor by an arbitrator in relation to a contract awarded by~~
 197.6 ~~the commissioner or in effect after July 1, 1985, is appropriated from the general fund.~~
 197.7 For the purposes of this section, "development of remaining resources" includes, but is
 197.8 not limited to, the promotion of tourism.

197.9 (d) Notwithstanding any law to the contrary, any money in any account that is under
 197.10 control of the commissioner on January 1, 2014, shall remain with the agency and be used
 197.11 for economic development purposes or public infrastructure.

197.12 Sec. 4. Minnesota Statutes 2014, section 298.22, subdivision 3, is amended to read:

197.13 Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of
 197.14 Iron Range resources and rehabilitation has made determinations required by subdivision
 197.15 1 and has determined that ~~distress and unemployment exists or may exist in the future~~
 197.16 ~~in any county by reason of the removal of the natural resources or a possible limited use~~
 197.17 ~~thereof in the future and the decrease in employment resulting therefrom and deems that~~
 197.18 economic conditions might be improved through the acquirement of real estate or personal
 197.19 property is necessary and proper in the development of the remaining resources, the
 197.20 commissioner may acquire such property or interests therein by gift, purchase, or lease.
 197.21 The commissioner may purchase insurance to protect any property acquired from loss or
 197.22 damage by fire, or to protect the commissioner from any liability the commissioner may
 197.23 incur by reason of ownership of the property, or both. If after such property is acquired it
 197.24 is necessary in the judgment of the commissioner to acquire a right-of-way for access to
 197.25 projects operated on property acquired by gift, purchase, or lease, said right-of-way may
 197.26 be acquired by condemnation in the manner provided by law. If the owner or operator of
 197.27 an iron mine or related production or beneficiation facilities discontinues the operation
 197.28 of the mine or facilities for any reason, the commissioner may acquire any or all of the
 197.29 mine lands and related facilities by gift, purchase, lease, or condemnation in the manner
 197.30 provided in chapter 117.

197.31 Sec. 5. Minnesota Statutes 2014, section 298.22, subdivision 4, is amended to read:

197.32 Subd. 4. **Commissioner may accept grants and conveyances.** Whenever property
 197.33 has been granted and conveyed to the state of Minnesota in accordance with an agreement
 197.34 made by the commissioner of Iron Range resources and rehabilitation and the commissioner

198.1 of administration for the necessary and proper development of the remaining resources of
198.2 any distressed county or economic development purposes, such grants, and conveyances
198.3 or leases are hereby accepted in accordance with the terms and conditions thereof.

198.4 Sec. 6. Minnesota Statutes 2014, section 298.22, subdivision 5, is amended to read:

198.5 Subd. 5. **Commissioner may lease property.** In order to carry out the terms and
198.6 provisions of this section, the commissioner of Iron Range resources and rehabilitation
198.7 and the commissioner of administration may lease any property acquired hereunder for
198.8 a term not to exceed 20 years upon such terms as they may determine, provided that
198.9 such property shall not be leased to any person in such a manner as to constitute a direct
198.10 contribution of working capital to a business enterprise. Such lease may provide that in the
198.11 event the property is ever sold by the state to such lessee, the lessee may obtain a credit
198.12 on the purchase price covering the rentals paid under the lease or any renewals thereof
198.13 and that said real estate can be conveyed by the commissioner of Iron Range resources
198.14 and rehabilitation and the commissioner of administration and the said commissioners
198.15 are hereby authorized to make such conveyances. The commissioner may lease, upon the
198.16 terms determined by the commissioner and approved by the board, surface and mineral
198.17 interests owned or acquired by the state of Minnesota acting by and through the Office
198.18 of the Commissioner of Iron Range Resources and Rehabilitation. The payments and
198.19 royalties from the leases shall be retained for the benefit of the agency.

198.20 Sec. 7. Minnesota Statutes 2014, section 298.22, subdivision 6, is amended to read:

198.21 Subd. 6. **Private entity participation.** The board may acquire an equity interest in
198.22 any project for which it provides funding. The commissioner may establish, participate in
198.23 the management of, and dispose of the assets of charitable foundations, nonprofit limited
198.24 liability companies, and nonprofit corporations associated with any project for which it
198.25 provides funding, including specifically, but without limitation, a corporation within the
198.26 meaning of section 317A.011, subdivision 6. Notwithstanding any law to the contrary,
198.27 agency funds that are transferred to any entity established by the commissioner under this
198.28 subdivision shall, upon request by the entity, be invested by the State Board of Investment
198.29 on behalf of the entity.

198.30 Sec. 8. Minnesota Statutes 2014, section 298.22, subdivision 10, is amended to read:

198.31 Subd. 10. **Sale or privatization of functions.** The commissioner of ~~Iron Range~~
198.32 ~~resources and rehabilitation~~ may not sell or privatize the Ironworld Discovery Center or
198.33 Giants Ridge Golf and Ski Resort without prior approval by the board.

199.1 Sec. 9. Minnesota Statutes 2014, section 298.22, subdivision 11, is amended to read:

199.2 Subd. 11. **Budgeting.** The commissioner of ~~Iron Range resources and rehabilitation~~
199.3 shall annually prepare a budget for operational expenditures, programs, and projects,
199.4 and submit it to the Iron Range Resources and Rehabilitation Board. After the budget
199.5 is approved by the board and the governor, the commissioner may spend money in
199.6 accordance with the approved budget.

199.7 Sec. 10. Minnesota Statutes 2014, section 298.221, is amended to read:

199.8 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

199.9 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
199.10 pursuant to the terms of any contract entered into by the state under authority of section
199.11 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
199.12 resources and rehabilitation, be charged in connection with any project pursuant to that
199.13 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
199.14 Resources and Rehabilitation Board account in the special revenue fund and are hereby
199.15 appropriated for the purposes of section 298.22.

199.16 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
199.17 commissioner of ~~the Iron Range Resources and Rehabilitation Board~~ for payment of
199.18 advertising contracts if the commissioner determines that the merchandise can be used
199.19 for special event prizes or mementos at facilities operated by the board. Nothing in this
199.20 paragraph authorizes the commissioner or a member of the board to receive merchandise
199.21 for personal use.

199.22 (c) All fees charged by the commissioner in connection with public use of the
199.23 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
199.24 revenues derived by the commissioner from the operation or lease of those facilities
199.25 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
199.26 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation
199.27 Board account that is created within the state enterprise fund. All funds deposited in the
199.28 enterprise fund account are appropriated to the commissioner to be expended, subject to
199.29 approval by the board, as follows:

199.30 (1) to pay costs associated with the construction, equipping, operation, repair, or
199.31 improvement of the Giants Ridge Recreation Area facilities or lands;

199.32 (2) to pay principal, interest and associated bond issuance, reserve, and servicing
199.33 costs associated with the financing of the facilities; and

199.34 (3) to pay the costs of any other project authorized under section 298.22.

200.1 Sec. 11. Minnesota Statutes 2014, section 298.2211, subdivision 3, is amended to read:

200.2 Subd. 3. **Project approval.** All projects authorized by this section shall be
 200.3 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for
 200.4 approval by the board. Prior to the commencement of a project involving the exercise by
 200.5 the commissioner of any authority of sections 469.174 to 469.179, the governing body
 200.6 of each municipality in which any part of the project is located and the county board of
 200.7 any county containing portions of the project not located in an incorporated area shall by
 200.8 majority vote approve or disapprove the project. ~~Any project approved by the board and~~
 200.9 ~~the applicable governing bodies, if any, together with detailed information concerning the~~
 200.10 ~~project, its costs, the sources of its funding, and the amount of any bonded indebtedness to~~
 200.11 ~~be incurred in connection with the project, shall be transmitted to the governor, who shall~~
 200.12 ~~approve, disapprove, or return the proposal for additional consideration within 30 days of~~
 200.13 ~~receipt.~~ No project authorized under this section shall be undertaken, and no obligations
 200.14 shall be issued and no tax increments shall be expended for a project authorized under this
 200.15 section until the project has been approved by the governor. The governor shall approve,
 200.16 disapprove, or return the project for additional consideration within 30 days of receipt.

200.17 Sec. 12. Minnesota Statutes 2014, section 298.222, is amended to read:

200.18 **298.222 CITATION.**

200.19 Sections 298.222 to 298.226 and Laws 1977, chapter 423, article 10, section 22 shall
 200.20 be known as the Taconite ~~Environmental Protection~~ Economic Development Fund Act
 200.21 of 1977.

200.22 Sec. 13. Minnesota Statutes 2014, section 298.223, is amended to read:

200.23 **298.223 TACONITE AREA ENVIRONMENTAL PROTECTION**
 200.24 **ECONOMIC DEVELOPMENT FUND.**

200.25 Subdivision 1. **Creation; purposes.** A fund called the taconite ~~environmental~~
 200.26 ~~protection~~ economic development fund is created for the purpose of reclaiming, restoring
 200.27 and enhancing those areas of northeast Minnesota located within the taconite assistance
 200.28 area defined in section 273.1341, that are adversely affected by the environmentally
 200.29 damaging operations involved in mining taconite and iron ore and producing iron ore
 200.30 concentrate and for the purpose of promoting the economic development of northeast
 200.31 Minnesota. The taconite ~~environmental protection~~ economic development fund shall be
 200.32 used for the following purposes:

- 201.1 (1) to initiate investigations into matters the Iron Range Resources and Rehabilitation
201.2 Board determines are in need of study and which will determine the environmental
201.3 problems requiring remedial action;
- 201.4 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided
201.5 for by state law;
- 201.6 (3) local economic development projects but only if those projects are approved by
201.7 the board, and public works, including construction of sewer and water systems located
201.8 within the taconite assistance area defined in section 273.1341;
- 201.9 (4) monitoring of mineral industry related health problems among mining employees;
- 201.10 (5) local public works projects under section 298.227, paragraph (c); and
- 201.11 (6) local public works projects as provided under this clause. The following amounts
201.12 shall be distributed in 2009 based upon the taxable tonnage of production in 2008:
- 201.13 (i) .4651 cent per ton to the city of Aurora for street repair and renovation;
- 201.14 (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure
201.15 improvements to the south side industrial site;
- 201.16 (iii) .6460 cent per ton to the city of Buhl for street repair;
- 201.17 (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;
- 201.18 (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure
201.19 upgrades;
- 201.20 (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure
201.21 upgrades;
- 201.22 (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;
- 201.23 (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility
201.24 modifications for the miners' memorial;
- 201.25 (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;
- 201.26 (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;
- 201.27 (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;
- 201.28 (xii) .6460 cent per ton to the town of Balkan for community center repairs;
- 201.29 (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;
- 201.30 (xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;
- 201.31 (xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;
- 201.32 (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
- 201.33 (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
- 201.34 (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
- 201.35 (xix) .3230 cent per ton to Lake County for trail construction;

- 202.1 (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand
 202.2 Marais;
- 202.3 (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure
 202.4 improvements;
- 202.5 (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
 202.6 (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer
 202.7 improvements along Gayley Avenue;
- 202.8 (xxiv) .3876 cent per ton to the city of Marble for construction of a city
 202.9 administration facility;
- 202.10 (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the
 202.11 community center;
- 202.12 (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure
 202.13 upgrades;
- 202.14 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades
 202.15 along Depot Street;
- 202.16 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter
 202.17 improvements;
- 202.18 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer
 202.19 infrastructure upgrades at Pokegema Golf Course and Park Place;
- 202.20 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades
 202.21 for 1st Avenue from River Road to 3rd Street SE; and
- 202.22 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing
 202.23 at Highway 2 and County Road 62.
- 202.24 Subd. 2. **Administration.** (a) The taconite area ~~environmental protection~~ economic
 202.25 development fund shall be administered by the commissioner of the Iron Range Resources
 202.26 and Rehabilitation Board. The commissioner shall by September 1 of each year submit to
 202.27 the board a list of projects to be funded from the taconite area ~~environmental protection~~
 202.28 economic development fund, with such supporting information including description of
 202.29 the projects, plans, and cost estimates as may be necessary.
- 202.30 (b) Each year no less than one-half of the amounts deposited into the taconite
 202.31 ~~environmental protection~~ economic development fund must be used for public works
 202.32 projects, including construction of sewer and water systems, as specified under subdivision
 202.33 1, clause (3). The Iron Range Resources and Rehabilitation Board may waive the
 202.34 requirements of this paragraph.
- 202.35 (c) Upon approval by the board, the list of projects approved under this subdivision
 202.36 shall be submitted to the governor by November 1 of each year. By December 1 of each

203.1 year, the governor shall approve or disapprove, or return for further consideration, each
 203.2 project. Funds for a project may be expended only upon approval of the project by the
 203.3 board and the governor. The commissioner may submit supplemental projects to the
 203.4 board and governor for approval at any time.

203.5 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of
 203.6 Iron Range resources and rehabilitation taconite area ~~environmental protection~~ economic
 203.7 development funds necessary to carry out approved projects and programs and the funds
 203.8 necessary for administration of this section. Annual administrative costs, not including
 203.9 detailed engineering expenses for the projects, shall not exceed five percent of the amount
 203.10 annually expended from the fund.

203.11 Funds for the purposes of this section are provided by section 298.28, subdivision
 203.12 11, relating to the taconite area ~~environmental protection~~ economic development fund.

203.13 Sec. 14. Minnesota Statutes 2014, section 298.225, subdivision 2, is amended to read:

203.14 Subd. 2. **Funding guaranteed distribution level.** The money necessary for funding
 203.15 the difference between the initial distribution made pursuant to section 298.28 and the
 203.16 amount guaranteed in subdivision 1 is appropriated in equal proportions from the initial
 203.17 current year distributions to the taconite ~~environmental protection~~ economic development
 203.18 fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28.
 203.19 If the initial distributions to the taconite ~~environmental protection~~ economic development
 203.20 fund and the Douglas J. Johnson economic protection trust are insufficient to fund the
 203.21 difference, the commissioner of Iron Range resources and rehabilitation shall make the
 203.22 payments of any remaining difference from the corpus of the taconite ~~environmental~~
 203.23 ~~protection~~ economic development fund and the corpus of the Douglas J. Johnson economic
 203.24 protection trust fund in equal proportions as directed by the commissioner of revenue.

203.25 If a taconite producer ceases beneficiation operations permanently and is required
 203.26 by a special law to make bond payments for a school district, the Douglas J. Johnson
 203.27 economic protection trust fund shall assume the payments of the taconite producer if
 203.28 the producer ceases to make the needed payments. The commissioner of Iron Range
 203.29 resources and rehabilitation shall make these school bond payments from the corpus of
 203.30 the Douglas J. Johnson economic protection trust fund in the amounts certified by the
 203.31 commissioner of revenue.

203.32 Sec. 15. Minnesota Statutes 2014, section 298.227, is amended to read:

203.33 **298.227 TACONITE ECONOMIC DEVELOPMENT MINING**
 203.34 **REINVESTMENT FUND.**

204.1 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
204.2 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
204.3 the Iron Range Resources and Rehabilitation Board in a separate ~~taconite economic~~
204.4 ~~development~~ mining reinvestment fund for each taconite and direct reduced ore producer.
204.5 Money from the fund for each producer shall be released by the commissioner after review
204.6 by a joint committee consisting of an equal number of representatives of the salaried
204.7 employees and the nonsalaried production and maintenance employees of that producer.
204.8 The District 11 director of the United States Steelworkers of America, on advice of each
204.9 local employee president, shall select the employee members. In nonorganized operations,
204.10 the employee committee shall be elected by the nonsalaried production and maintenance
204.11 employees. The review must be completed no later than six months after the producer
204.12 presents a proposal for expenditure of the funds to the committee. The funds held pursuant
204.13 to this section may be released only for workforce development and associated public
204.14 facility improvement, or for acquisition of plant and stationary mining equipment and
204.15 facilities for the producer or for research and development in Minnesota on new mining, or
204.16 taconite, iron, or steel production technology, but only if the producer provides a matching
204.17 expenditure equal to the amount of the distribution to be used for the same purpose
204.18 beginning with distributions in 2014. Effective for proposals for expenditures of money
204.19 from the fund beginning May 26, 2007, the commissioner may not release the funds before
204.20 the next scheduled meeting of the board. If a proposed expenditure is not approved by the
204.21 board, the funds must be deposited in the ~~Taconite Environmental Protection Fund~~ taconite
204.22 economic development fund under sections 298.222 to 298.225. If a producer uses money
204.23 which has been released from the fund prior to May 26, 2007 to procure haulage trucks,
204.24 mobile equipment, or mining shovels, and the producer removes the piece of equipment
204.25 from the taconite tax relief area defined in section 273.134 within ten years from the date
204.26 of receipt of the money from the fund, a portion of the money granted from the fund must
204.27 be repaid to the ~~taconite economic development~~ mining reinvestment fund. The portion
204.28 of the money to be repaid is 100 percent of the grant if the equipment is removed from
204.29 the taconite tax relief area within 12 months after receipt of the money from the fund,
204.30 declining by ten percent for each of the subsequent nine years during which the equipment
204.31 remains within the taconite tax relief area. If a taconite production facility is sold after
204.32 operations at the facility had ceased, any money remaining in the fund for the former
204.33 producer may be released to the purchaser of the facility on the terms otherwise applicable
204.34 to the former producer under this section. If a producer fails to provide matching funds
204.35 for a proposed expenditure within six months after the commissioner approves release
204.36 of the funds, the funds are available for release to another producer in proportion to the

205.1 distribution provided and under the conditions of this section. Any portion of the fund
205.2 which is not released by the commissioner within one year of its deposit in the fund shall
205.3 be divided between the taconite ~~environmental protection~~ economic development fund
205.4 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
205.5 created in section 298.292 for placement in their respective special accounts. Two-thirds of
205.6 the unreleased funds shall be distributed to the taconite ~~environmental protection~~ economic
205.7 development fund and one-third to the Douglas J. Johnson economic protection trust fund.

205.8 (b)(i) ~~Notwithstanding the requirements of paragraph (a), setting the amount of~~
205.9 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~
205.10 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed~~
205.11 ~~under paragraph (a), may be used for a loan or grant for the cost of providing for a~~
205.12 ~~value-added wood product facility located in the taconite tax relief area and in a county~~
205.13 ~~that contains a city of the first class. This amount must be deducted from the distribution~~
205.14 ~~under paragraph (a) for which a matching expenditure by the producer is not required. The~~
205.15 ~~granting of the loan or grant is subject to approval by the board. If the money is provided~~
205.16 ~~as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213,~~
205.17 ~~subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the~~
205.18 ~~taconite environment protection fund under sections 298.222 to 298.225. If a loan or~~
205.19 ~~grant is not made under this paragraph by July 1, 2012, the amount that had been made~~
205.20 ~~available for the loan under this paragraph must be transferred to the taconite environment~~
205.21 ~~protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the~~
205.22 ~~fund established under this section that exceeds ten cents per ton is available to qualifying~~
205.23 ~~producers under paragraph (a) on a pro rata basis.~~

205.24 (c) ~~Repayment or transfer of money to the taconite environmental protection fund~~
205.25 ~~under paragraph (b), item (ii), must be allocated by the Iron Range Resources and~~
205.26 ~~Rehabilitation Board for public works projects in house legislative districts in the same~~
205.27 ~~proportion as taxable tonnage of production in 2007 in each house legislative district, for~~
205.28 ~~distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution~~
205.29 ~~in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph~~
205.30 ~~do not require approval by the governor. For purposes of this paragraph, "house legislative~~
205.31 ~~districts" means the legislative districts in existence on May 15, 2009.~~

205.32 Sec. 16. Minnesota Statutes 2014, section 298.28, subdivision 4, is amended to read:

205.33 Subd. 4. **School districts.** (a) 32.15 cents per taxable ton, plus the increase provided
205.34 in paragraph (d), less the amount that would have been computed under Minnesota
205.35 Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be

206.1 allocated to qualifying school districts to be distributed, based upon the certification of the
206.2 commissioner of revenue, under paragraphs (b), (c), and (f).

206.3 (b)(i) 3.43 cents per taxable ton must be distributed to the school districts in which
206.4 the lands from which taconite was mined or quarried were located or within which the
206.5 concentrate was produced. The distribution must be based on the apportionment formula
206.6 prescribed in subdivision 2.

206.7 (ii) Four cents per taxable ton from each taconite facility must be distributed to
206.8 each affected school district for deposit in a fund dedicated to building maintenance
206.9 and repairs, as follows:

206.10 (1) proceeds from Keewatin Taconite or its successor are distributed to Independent
206.11 School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor
206.12 districts;

206.13 (2) proceeds from the Hibbing Taconite Company or its successor are distributed to
206.14 Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor
206.15 districts;

206.16 (3) proceeds from the Mittal Steel Company and Minntac or their successors are
206.17 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia,
206.18 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

206.19 (4) proceeds from the Northshore Mining Company or its successor are distributed
206.20 to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior,
206.21 or their successor districts; and

206.22 (5) proceeds from United Taconite or its successor are distributed to Independent
206.23 School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their
206.24 successor districts.

206.25 Revenues that are required to be distributed to more than one district shall be
206.26 apportioned according to the number of pupil units identified in section 126C.05,
206.27 subdivision 1, enrolled in the second previous year.

206.28 (c)(i) 24.72 cents per taxable ton, less any amount distributed under paragraph (e),
206.29 shall be distributed to a group of school districts comprised of those school districts which
206.30 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
206.31 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
206.32 to school district indexes as follows: for each school district, its pupil units determined
206.33 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
206.34 average adjusted net tax capacity per pupil unit for school districts receiving aid under
206.35 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
206.36 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.

207.1 Each district shall receive that portion of the distribution which its index bears to the sum
207.2 of the indices for all school districts that receive the distributions.

207.3 (ii) Notwithstanding clause (i), each school district that receives a distribution
207.4 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
207.5 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
207.6 severed mineral values after reduction for any portion distributed to cities and towns
207.7 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its
207.8 levy reduction under section 126C.48, subdivision 8, for the second year prior to the
207.9 year of the distribution shall receive a distribution equal to the difference; the amount
207.10 necessary to make this payment shall be derived from proportionate reductions in the
207.11 initial distribution to other school districts under clause (i). If there are insufficient tax
207.12 proceeds to make the distribution provided under this paragraph in any year, money must
207.13 be transferred from the taconite property tax relief account in subdivision 6, to the extent
207.14 of the shortfall in the distribution.

207.15 (d)(1) Any school district described in paragraph (c) where a levy increase pursuant
207.16 to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in
207.17 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175
207.18 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second
207.19 previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8
207.20 percent times the district's taxable net tax capacity in 2011.

207.21 (2) Districts qualifying under paragraph (c) must receive additional taconite aid each
207.22 year equal to 22.5 percent of the amount obtained by subtracting:

207.23 (i) 1.8 percent of the district's net tax capacity for 2011, from:

207.24 (ii) the district's weighted average daily membership for fiscal year 2012, multiplied
207.25 by the sum of:

207.26 (A) \$415, plus

207.27 (B) the district's referendum revenue allowance for fiscal year 2013.

207.28 If the total amount provided by paragraph (d) is insufficient to make the payments
207.29 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
207.30 so as not to exceed the funds available. Any amounts received by a qualifying school
207.31 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
207.32 education aid which the district receives pursuant to section 126C.13 or the permissible
207.33 levies of the district. Any amount remaining after the payments provided in this paragraph
207.34 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
207.35 deposit the same in the taconite ~~environmental protection~~ economic development fund and
207.36 the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

208.1 Each district receiving money according to this paragraph shall reserve the lesser of
208.2 the amount received under this paragraph or \$25 times the number of pupil units served in
208.3 the district. It may use the money for early childhood programs.

208.4 (e) There shall be distributed to any school district the amount which the school
208.5 district was entitled to receive under section 298.32 in 1975.

208.6 (f) Four cents per taxable ton must be distributed to qualifying school districts
208.7 according to the distribution specified in paragraph (b), clause (ii), and 11 cents per taxable
208.8 ton must be distributed according to the distribution specified in paragraph (c). These
208.9 amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

208.10 Sec. 17. Minnesota Statutes 2014, section 298.28, subdivision 9a, is amended to read:

208.11 Subd. 9a. ~~Taconite economic development~~ Mining reinvestment fund. (a)
208.12 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the ~~taconite~~
208.13 ~~economic development~~ mining reinvestment fund. No distribution shall be made under
208.14 this paragraph in 2004 or any subsequent year in which total industry production falls
208.15 below 30 million tons. Distribution shall only be made to a taconite producer's fund under
208.16 section 298.227 if the producer timely pays its tax under section 298.24 by the dates
208.17 provided under section 298.27, or pursuant to the due dates provided by an administrative
208.18 agreement with the commissioner.

208.19 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate
208.20 sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including
208.21 crushed pellets shall be paid to the ~~taconite economic development~~ mining reinvestment
208.22 fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial
208.23 amount to be paid to the fund exceeds this amount, each company's payment shall be
208.24 prorated so the total does not exceed \$700,000.

208.25 Sec. 18. Minnesota Statutes 2014, section 298.28, subdivision 9d, is amended to read:

208.26 Subd. 9d. **Iron Range higher education account.** (a) Five cents per taxable ton
208.27 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
208.28 in an Iron Range higher education account that is hereby created, to be used for higher
208.29 education programs conducted at educational institutions in the taconite assistance area
208.30 defined in section 273.1341. The Iron Range Higher Education committee under section
208.31 298.2214, and the Iron Range Resources and Rehabilitation Board must approve all
208.32 expenditures from the account.

208.33 (b) For distributions in 2015 and subsequent years, at least 2.5 cents per ton must be
208.34 used for the Iron Range engineering program at Mesabi Range College.

209.1 Sec. 19. Minnesota Statutes 2014, section 298.28, subdivision 11, is amended to read:

209.2 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
209.3 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
209.4 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
209.5 interest earned on all money distributed under this section prior to distribution, shall
209.6 be divided between the taconite ~~environmental protection~~ economic development fund
209.7 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
209.8 created in section 298.292 as follows: Two-thirds to the taconite ~~environmental protection~~
209.9 economic development fund and one-third to the Douglas J. Johnson economic protection
209.10 trust fund. The proceeds shall be placed in the respective special accounts.

209.11 (b) There shall be distributed to each city, town, and county the amount that it
209.12 received under section 294.26 in calendar year 1977; provided, however, that the amount
209.13 distributed in 1981 to the unorganized territory number 2 of Lake County and the town
209.14 of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be
209.15 distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake
209.16 County and the towns of Beaver Bay and Stony River based on the miles of track of Erie
209.17 Mining Company in each taxing district.

209.18 (c) There shall be distributed to the Iron Range Resources and Rehabilitation Board
209.19 the amounts it received in 1977 under section 298.22. The amount distributed under
209.20 this paragraph shall be expended within or for the benefit of the taconite assistance area
209.21 defined in section 273.1341.

209.22 (d) There shall be distributed to each school district 62 percent of the amount that it
209.23 received under section 294.26 in calendar year 1977.

209.24 Sec. 20. Minnesota Statutes 2014, section 298.28, subdivision 15, is amended to read:

209.25 Subd. 15. **Distribution of delayed payments.** Notwithstanding any other provision
209.26 of this section or any other law, if payment of taxes collected under section 298.24 is
209.27 delayed past the due date because the taxpayer is a debtor in a pending bankruptcy
209.28 proceeding, the amount paid shall be distributed as follows when received:

209.29 (1) 50 percent to St. Louis County acting as the counties' fiscal agent, to be
209.30 distributed as provided in sections 273.134 to 273.136;

209.31 (2) 25 percent to the Douglas J. Johnson economic protection trust fund; and

209.32 (3) 25 percent to the taconite ~~environmental protection~~ economic development fund.

209.33 Sec. 21. Minnesota Statutes 2014, section 298.292, subdivision 2, is amended to read:

210.1 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
210.2 fund may be used for the following purposes:

210.3 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
210.4 participation with private sources of financing, but a loan to a private enterprise shall be
210.5 for a principal amount not to exceed one-half of the cost of the project for which financing
210.6 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
210.7 lesser of eight percent or an interest rate three percentage points less than a full faith
210.8 and credit obligation of the United States government of comparable maturity, at the
210.9 time that the loan is approved;

210.10 (2) to fund reserve accounts established to secure the payment when due of the
210.11 principal of and interest on bonds issued pursuant to section 298.2211;

210.12 ~~(3) to pay in periodic payments or in a lump-sum payment any or all of the interest~~
210.13 ~~on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,~~
210.14 ~~or retrofitting heating facilities in connection with district heating systems or systems~~
210.15 ~~utilizing alternative energy sources;~~

210.16 ~~(4) (3) to invest in a venture capital fund or enterprise that will provide capital~~
210.17 ~~to other entities that are engaging in, or that will engage in, projects or programs that~~
210.18 ~~have the purposes set forth in subdivision 1. No investments may be made in a venture~~
210.19 ~~capital fund or enterprise unless at least two other unrelated investors make investments~~
210.20 ~~of at least \$500,000 in the venture capital fund or enterprise, and the investment by the~~
210.21 ~~Douglas J. Johnson economic protection trust fund may not exceed the amount of the~~
210.22 ~~largest investment by an unrelated investor in the venture capital fund or enterprise. For~~
210.23 ~~purposes of this subdivision, an "unrelated investor" is a person or entity that is not related~~
210.24 ~~to the entity in which the investment is made or to any individual who owns more than 40~~
210.25 ~~percent of the value of the entity, in any of the following relationships: spouse, parent,~~
210.26 ~~child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of~~
210.27 ~~the value of all interests in it. For purposes of determining the limitations under this~~
210.28 ~~clause, the amount of investments made by an investor other than the Douglas J. Johnson~~
210.29 ~~economic protection trust fund is the sum of all investments made in the venture capital~~
210.30 ~~fund or enterprise during the period beginning one year before the date of the investment~~
210.31 ~~by the Douglas J. Johnson economic protection trust fund; and~~

210.32 ~~(5) (4) to purchase forest land in the taconite assistance area defined in section~~
210.33 ~~273.1341 to be held and managed as a public trust for the benefit of the area for the~~
210.34 ~~purposes authorized in section 298.22, subdivision 5a. Property purchased under this~~
210.35 ~~section may be sold by the commissioner upon approval by the board. The net proceeds~~
210.36 ~~must be deposited in the trust fund for the purposes and uses of this section.~~

211.1 Money from the trust fund shall be expended only in or for the benefit of the taconite
211.2 assistance area defined in section 273.1341.

211.3 Sec. 22. Minnesota Statutes 2014, section 298.293, is amended to read:

211.4 **298.293 EXPENDING FUNDS.**

211.5 The funds provided by section 298.28, subdivision 11, relating to the Douglas J.
211.6 Johnson economic protection trust fund, ~~except money expended pursuant to Laws~~
211.7 ~~1982, Second Special Session, chapter 2, sections 8 to 14, shall be expended only in~~
211.8 ~~an amount that does not exceed the sum of the net interest, dividends, and earnings~~
211.9 ~~arising from the investment of the trust for the preceding 12 calendar months from the~~
211.10 ~~date of the authorization plus, for fiscal year 1983, \$10,000,000 from the corpus of the~~
211.11 ~~fund. The funds may be spent only in or for the benefit of the taconite assistance area as~~
211.12 defined in section 273.1341. If during any year the taconite property tax account under
211.13 sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief
211.14 specified in Laws 1977, chapter 423, article X, section 4, there is appropriated from this
211.15 trust fund to the relief account sufficient funds to pay the relief specified in Laws 1977,
211.16 chapter 423, article X, section 4.

211.17 Sec. 23. Minnesota Statutes 2014, section 298.2961, subdivision 3, is amended to read:

211.18 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations
211.19 at the facility had ceased, any money remaining in the taconite environmental fund for the
211.20 former producer may be released to the purchaser of the facility on the terms otherwise
211.21 applicable to the former producer under this section.

211.22 (b) Any portion of the taconite environmental fund that is not released by the
211.23 commissioner within three years of its deposit in the taconite environmental fund shall
211.24 be divided between the taconite ~~environmental protection~~ economic development fund
211.25 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
211.26 created in section 298.292 for placement in their respective special accounts. Two-thirds of
211.27 the unreleased funds must be distributed to the taconite ~~environmental protection~~ economic
211.28 development fund and one-third to the Douglas J. Johnson economic protection trust fund.

211.29 Sec. 24. **REPEALER.**

211.30 Minnesota Statutes 2014, section 298.298, is repealed.

212.1 **ARTICLE 10**212.2 **BUREAU OF MEDIATION SERVICES**

212.3 Section 1. Minnesota Statutes 2014, section 13.43, subdivision 6, is amended to read:

212.4 Subd. 6. **Access by labor organizations, the Bureau of Mediation Services,**
212.5 **and the Public Employment Relations Board.** Personnel data may be disseminated to
212.6 labor organizations and the Public Employment Relations Board to the extent that the
212.7 responsible authority determines that the dissemination is necessary to conduct elections,
212.8 notify employees of fair share fee assessments, and implement the provisions of chapters
212.9 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public
212.10 Employment Relations Board, and to the Bureau of Mediation Services to the extent the
212.11 dissemination is ordered or authorized by the commissioner of the Bureau of Mediation
212.12 Services, or the Public Employment Relations Board or its designee.

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

212.14 Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

212.15 Subdivision 1. **Definition.** For purposes of this section, "board" means the Public
212.16 Employment Relations Board.

212.17 Subd. 2. **Not public data.** (a) Except as provided in this subdivision, all data
212.18 maintained by the board about a charge or complaint of unfair labor practices and
212.19 appeals of determinations of the commissioner under section 179A.12, subdivision 11,
212.20 are classified as protected nonpublic data or confidential data, and become public when
212.21 admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may
212.22 be subject to a protective order as determined by the board or a hearing officer.

212.23 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

212.24 (1) the filing date of unfair labor practice charges;

212.25 (2) the status of unfair labor practice charges as an original or amended charge;

212.26 (3) the names and job classifications of charging parties and charged parties;

212.27 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

212.28 (5) the complaint issued by the board and all data in the complaint;

212.29 (6) the full and complete record of an evidentiary hearing before a hearing officer,

212.30 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

212.31 unless subject to a protective order;

212.32 (7) recommended decisions and orders of hearing officers pursuant to section

212.33 179A.13, subdivision 1, paragraph (i);

213.1 (8) exceptions to the hearing officer's recommended decision and order filed with the
 213.2 board pursuant to section 179A.13, subdivision 1, paragraph (k);

213.3 (9) briefs filed with the board; and

213.4 (10) decisions and orders issued by the board.

213.5 (c) Notwithstanding paragraph (a), individuals have access to their own statements
 213.6 provided to the board under paragraph (a).

213.7 (d) The board may make any data classified as protected nonpublic or confidential
 213.8 pursuant to this subdivision accessible to any person or party if the access will aid the
 213.9 implementation of chapters 179 and 179A or ensure due process protection of the parties.

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

213.11 Sec. 3. **[179.851] LABOR-MANAGEMENT STAKEHOLDER COORDINATION.**

213.12 The commissioner of mediation services shall work with labor-management
 213.13 stakeholders, including representatives from existing labor organizations and management
 213.14 from existing companies or organizations, to foster mutual understanding and provide
 213.15 input on the development of collaborative programs and services designed to improve
 213.16 labor-management relations in both public and private sector organizations throughout
 213.17 Minnesota. The commissioner may convene informal working groups to provide
 213.18 information and assistance and to develop recommendations.

213.19 Sec. 4. Minnesota Statutes 2014, section 179A.041, is amended by adding a
 213.20 subdivision to read:

213.21 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board
 213.22 when it is deliberating on the merits of unfair labor practice charges under sections
 213.23 179.11, 179.12, and 179A.13; reviewing a recommended decision and order of a hearing
 213.24 officer under section 179A.13; reviewing decisions of the commissioner of the Bureau of
 213.25 Mediation Services relating to unfair labor practices under section 179A.12, subdivision
 213.26 11; or exercising its hiring authority under section 179A.041.

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

213.28 Sec. 5. Minnesota Statutes 2014, section 179A.041, is amended by adding a
 213.29 subdivision to read:

213.30 Subd. 11. **Report.** The board shall prepare and submit a report to the governor
 213.31 and the chairs and ranking minority members of the committees with jurisdiction over
 213.32 the board by November 15, 2016. The report shall summarize the nature, number, and

- 214.1 resolution of charges filed with the board. The report shall cover the period of July
- 214.2 1, 2015, through June 30, 2016.
- 214.3 **EFFECTIVE DATE.** This section is effective July 1, 2015.

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Article locations in S2101-1

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ARTICLE 2	AGRICULTURE STATUTORY CHANGES	Page.Ln 14.10
	ENVIRONMENT AND NATURAL RESOURCES	
ARTICLE 3	AGRICULTURE APPROPRIATIONS	Page.Ln 49.1
	ENVIRONMENT AND NATURAL RESOURCES STATUTORY	
ARTICLE 4	CHANGES	Page.Ln 75.12
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ARTICLE 5	AGRICULTURE APPROPRIATIONS	Page.Ln 115.12
ARTICLE 6	DEPARTMENT OF LABOR AND INDUSTRY	Page.Ln 145.1
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 7	DEVELOPMENT	Page.Ln 151.21
ARTICLE 8	DEPARTMENT OF COMMERCE	Page.Ln 172.12
ARTICLE 9	IRON RANGE RESOURCES	Page.Ln 194.13
ARTICLE 10	BUREAU OF MEDIATION SERVICES	Page.Ln 212.1

17.115 SHARED SAVINGS LOAN PROGRAM.

Subdivision 1. **Establishment.** The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction or improved management of inputs, increasing energy production by agricultural producers, and environmental improvements.

Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans for purchase of new or used machinery and installation of equipment for projects that make environmental improvements and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed \$40,000 per individual applying for a loan and may not exceed \$160,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent.

(c) Loans may only be made to residents of this state engaged in farming.

Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a postsecondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

- (1) realize savings to the cost of agricultural production;
- (2) reduce or make more efficient use of energy or inputs;
- (3) increase overall farm profitability; and
- (4) result in environmental benefits.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.

Subd. 4. **Administration; information dissemination.** The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.

Subd. 5. **Farm manure digester technology.** Appropriations in Laws 1998, chapter 401, section 6, must be used for revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of subdivision 2, paragraphs (b) and (c), loans under this subdivision are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects.

28A.15 EXCLUSIONS.

Subd. 9. **Community event or farmers' market.** An individual who prepares and sells food that is not potentially hazardous food, as defined in rules adopted under section 31.11, at a community event or farmers' market with gross receipts of \$5,000 or less in a calendar year from the prepared food items. If the food is not prepared in a kitchen that is licensed or inspected, the seller must post a visible sign or placard stating that: "These products are homemade and not subject to state inspection." Prepared foods sold under this subdivision must be labeled to accurately reflect the name and address of the person preparing and selling the foods.

Subd. 10. **Certain home-processed and home-canned foods.** (a) A person who receives less than \$5,000 in gross receipts in a calendar year from the sale of home-processed and home-canned food products and meets the requirements in clauses (1) to (5):

- (1) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;
- (2) the products are home-processed and home-canned in Minnesota;

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(3) the products are sold or offered for sale at a community or social event or a farmers' market in Minnesota;

(4) the seller displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection" unless the products were processed and canned in a kitchen that is licensed or inspected; and

(5) each container of the product sold or offered for sale under this exemption is accurately labeled to provide the name and address of the person who processed and canned the goods and the date on which the goods were processed and canned.

(b) A person who qualifies for an exemption under paragraph (a) is also exempt from the provisions of sections 31.31 and 31.392.

(c) A person claiming an exemption under this subdivision is urged to:

(1) attend and successfully complete a better process school recognized by the commissioner; and

(2) have the recipe and manufacturing process reviewed by a person knowledgeable in the food canning industry and recognized by the commissioner as a process authority.

(d) The commissioner, in close cooperation with the commissioner of health and the Minnesota Extension Service, shall attempt to maximize the availability of information and technical services and support for persons who wish to home process and home can low acid and acidified food products.

41A.12 AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION PROGRAM.

Subd. 4. **Sunset.** This section expires on June 30, 2015.

84.68 FORESTS FOR THE FUTURE CONSERVATION EASEMENT ACCOUNT.

Subdivision 1. **Account established; sources.** The forests for the future conservation easement account is created in the natural resources fund in the state treasury. The following revenue shall be deposited in the account:

(1) contributions to the account or specified for any purposes of the account;

(2) financial contributions required under section 84.66, subdivision 11, or other applicable law; and

(3) money appropriated or transferred for the purposes described in subdivision 2.

Interest earned on money in the account accrues to the account.

Subd. 2. **Appropriation; purposes of account.** Four percent of the balance on July 1 in the forests for the future conservation easement account is annually appropriated to the commissioner of natural resources and may be spent only to cover the costs of managing forests for the future conservation easements held by the Department of Natural Resources, including costs incurred from monitoring, landowner contracts, record keeping, processing landowner notices, requests for approval or amendments, and enforcement.

86B.13 AQUATIC INVASIVE SPECIES PREVENTION PROGRAM.

Subd. 2. **Aquatic invasive species trailer decal.** The commissioner shall issue an aquatic invasive species trailer decal for each trailer owned by a person that satisfactorily completes the required course of instruction.

Subd. 4. **Aquatic invasive species trailer decal display required.** (a) A person may not transport watercraft or water-related equipment, as defined under section 84D.01, subdivision 18a, with a trailer unless the person has an aquatic invasive species trailer decal issued under this section. Temporary authorizations valid for seven days can be requested by persons that have not completed the required course of instruction.

(b) Aquatic invasive species trailer decals are valid for three years.

(c) The aquatic invasive species trailer decal must be adhered to the side of the trailer frame tongue near the hitch in a manner that it is readily visible and does not interfere with the display of any registration requirements under section 169.79.

(d) Aquatic invasive species trailer decals are not transferable.

(e) Violation of this section shall not result in a penalty, but is punishable only by a warning.

298.298 LONG-RANGE PLAN.

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Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

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Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws 2013, chapter 114, article 3, section 9;

Sec. 3. POLLUTION CONTROL AGENCY

Subd. 6. **Transfers In**

(a) The amounts appropriated from the agency indirect costs account in the special revenue fund are reduced by \$328,000 in fiscal year 2010 and \$462,000 in fiscal year 2011, and those amounts must be transferred to the general fund by June 30, 2011. The appropriation reductions are onetime.

(b) The commissioner of management and budget shall transfer \$48,000,000 in fiscal year 2011 from the closed landfill investment fund in Minnesota Statutes, section 115B.421, to the general fund. The commissioner shall transfer \$9,900,000 on July 1, 2014, \$12,550,000 in each of the years 2015 and 2016, and \$13,000,000 in 2017 from the general fund to the closed landfill investment fund. For each transfer to the closed landfill investment fund, the commissioner shall determine the total amount of interest and other earnings that would have accrued to the fund if the transfers to the general fund under this paragraph had not been made and add this amount to the transfer. The amounts necessary for these transfers are appropriated from the general fund in the fiscal years specified for the transfers.