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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1437

- 03/04/2015 Authored by Garofalo and Hamilton
The bill was read for the first time and referred to the Committee on Agriculture Finance
04/15/2015 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
04/29/2015 Adoption of Report: Amended and re-referred to the Committee on Rules and Legislative Administration
04/30/2015 Adoption of Report: Placed on the General Register
Read Second Time
05/04/2015 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
05/18/2015 Returned to the House as Amended by the Senate
Read Third Time as Amended by the Senate
Bill was repassed as Amended by the Senate

A bill for an act

1.1 relating to jobs; appropriating money to the Departments of Employment
1.2 and Economic Development, Labor and Industry, and Commerce; Bureau of
1.3 Mediation Services; Housing Finance Agency; Explore Minnesota Tourism;
1.4 Workers' Compensation Court of Appeals; Public Utilities Commission; making
1.5 policy changes to the Departments of Employment and Economic Development,
1.6 Labor and Industry, and Commerce; making changes to housing, unemployment
1.7 insurance, and energy provisions; creating a MNvest regulation exemption;
1.8 creating various jobs and workforce development programs; regulating
1.9 insurance; allowing additional unemployment insurance benefits for certain
1.10 poultry workers and steelworkers; requiring reports; appointing task forces;
1.11 modifying fees and penalties; amending Minnesota Statutes 2014, sections
1.12 12A.15, subdivision 1; 45.0135, by adding a subdivision; 60D.215, subdivision
1.13 2; 65B.44, by adding a subdivision; 80A.84; 116J.394; 116J.8738, subdivision
1.14 3, by adding a subdivision; 116L.17, subdivision 4; 116L.98, subdivisions 3,
1.15 5, 7; 168.013, subdivision 1d; 216B.16, subdivisions 6, 7b, 19; 216B.164,
1.16 subdivision 3; 216B.2425; 268.035, subdivisions 6, 21b, 26, 30; 268.051,
1.17 subdivision 7; 268.07, subdivisions 2, 3b; 268.085, subdivisions 1, 2; 268.095,
1.18 subdivision 10; 268.105, subdivisions 3, 7; 268.136, subdivision 1; 268.188;
1.19 268.194, subdivision 1; 268A.01, subdivisions 6, 10, by adding a subdivision;
1.20 268A.03; 268A.06; 268A.07; 268A.085; 326B.092, subdivision 7; 326B.096;
1.21 326B.106, subdivision 1; 326B.13, subdivision 8; 326B.986, subdivisions 5, 8;
1.22 327.20, subdivision 1; 341.321; Laws 1994, chapter 493, section 1; Laws 2014,
1.23 chapter 308, article 6, section 14, subdivision 5; proposing coding for new law
1.24 in Minnesota Statutes, chapters 80A; 116J; 116L; 216B; proposing coding for
1.25 new law as Minnesota Statutes, chapter 59D; repealing Minnesota Statutes 2014,
1.26 section 268.042, subdivision 4.

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

ARTICLE 1

JOBS APPROPRIATIONS

Section 1. JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the

2.1 general fund, or another named fund, and are available for the fiscal years indicated
 2.2 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.3 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.4 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.5 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.6 **APPROPRIATIONS**
 2.7 **Available for the Year**
 2.8 **Ending June 30**
 2.9 **2016 2017**

2.10 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 2.11 **AND ECONOMIC DEVELOPMENT**

2.12 **Subdivision 1. Total Appropriation** \$ 123,064,000 \$ 105,221,000

2.13	<u>Appropriations by Fund</u>	
2.14	<u>2016</u>	<u>2017</u>
2.15	<u>General</u> <u>94,458,000</u>	<u>78,007,000</u>
2.16	<u>Remediation</u> <u>700,000</u>	<u>700,000</u>
2.17	<u>Workforce</u>	
2.18	<u>Development</u> <u>27,356,000</u>	<u>26,514,000</u>

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

2.22 **Subd. 2. Business and Community**
 2.23 **Development**

2.24	<u>Appropriations by Fund</u>	
2.25	<u>General</u> <u>48,694,000</u>	<u>44,286,000</u>
2.26	<u>Remediation</u> <u>700,000</u>	<u>700,000</u>

2.27 (a)(1) \$15,000,000 each year is for the
 2.28 Minnesota investment fund under Minnesota
 2.29 Statutes, section 116J.8731. Of this amount,
 2.30 the commissioner may use up to three percent
 2.31 for administrative expenses and technology
 2.32 upgrades. This appropriation is available
 2.33 until expended.

2.34 (2) Of the amount appropriated in fiscal
 2.35 year 2016, up to \$4,000,000 is for a
 2.36 loan to construct a \$10,000,000 aircraft

3.1 manufacturing facility. Funds available
3.2 under this clause may be used for purchases
3.3 of materials and supplies made from July
3.4 1, 2015, through June 30, 2016, and which
3.5 are directly related to the construction of
3.6 the aircraft manufacturing facility. This
3.7 loan is not subject to the limitations under
3.8 Minnesota Statutes, section 116J.8731,
3.9 subdivision 5. The commissioner shall
3.10 forgive the loan after verification that the
3.11 project has satisfied performance goals and
3.12 contractual obligations as required under
3.13 Minnesota Statutes, section 116J.8731,
3.14 subdivision 7. The amount available under
3.15 this clause is available until June 30, 2019.

3.16 (b) \$12,500,000 each year is for the
3.17 Minnesota job creation fund under Minnesota
3.18 Statutes, section 116J.8748. Of this amount,
3.19 the commissioner may use up to three
3.20 percent for administrative expenses. This
3.21 appropriation is available until expended.

3.22 (c) \$1,272,000 each year is from the
3.23 general fund for contaminated site cleanup
3.24 and development grants under Minnesota
3.25 Statutes, sections 116J.551 to 116J.558. This
3.26 appropriation is available until expended.

3.27 (d) \$700,000 each year is from the
3.28 remediation fund for contaminated site
3.29 cleanup and development grants under
3.30 Minnesota Statutes, sections 116J.551 to
3.31 116J.558. This appropriation is available
3.32 until expended.

3.33 (e) \$1,425,000 each year is from the
3.34 general fund for the business development
3.35 competitive grant program. Of this amount,

4.1 up to five percent is for administration and
4.2 monitoring of the business development
4.3 competitive grant program. All grant awards
4.4 shall be for two consecutive years. Grants
4.5 shall be awarded in the first year.

4.6 (f) \$4,195,000 each year is from the general
4.7 fund for the Minnesota job skills partnership
4.8 program under Minnesota Statutes, sections
4.9 116L.01 to 116L.17. If the appropriation for
4.10 either year is insufficient, the appropriation
4.11 for the other year is available. This
4.12 appropriation is available until expended.

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

4.16 (h) \$325,000 each year is from the general
4.17 fund for the Minnesota Film and TV Board.
4.18 The appropriation in each year is available
4.19 only upon receipt by the board of \$1 in
4.20 matching contributions of money or in-kind
4.21 contributions from nonstate sources for every
4.22 \$3 provided by this appropriation, except that
4.23 each year up to \$50,000 is available on July
4.24 1 even if the required matching contribution
4.25 has not been received by that date.

4.26 (i) \$3,500,000 the first year and \$1,500,000
4.27 the second year are from the general fund for
4.28 a grant to the Minnesota Film and TV Board
4.29 for the film production jobs program under
4.30 Minnesota Statutes, section 116U.26. This
4.31 appropriation is available until expended.

4.32 (j) \$875,000 each year is from the general
4.33 fund for the host community economic
4.34 development program established in
4.35 Minnesota Statutes, section 116J.548.

5.1 (k) \$1,373,000 in fiscal year 2016 is for the
5.2 workforce housing grants pilot program in
5.3 Laws 2014, chapter 308, article 6, section 14.
5.4 This appropriation is onetime and is available
5.5 until June 30, 2018. The commissioner of
5.6 employment and economic development may
5.7 use up to five percent for administrative costs.

5.8 (l) \$2,000,000 each year is for the workforce
5.9 housing grant program in Minnesota Statutes,
5.10 section 116J.549. Of this amount, up to five
5.11 percent is for administration and monitoring
5.12 of the program. The first year appropriation
5.13 is available until June 30, 2019. The second
5.14 year appropriation is available until June 30,
5.15 2020.

5.16 (m) \$139,000 each year is from the general
5.17 fund for the Center for Rural Policy and
5.18 Development.

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

5.28 (o) \$1,900,000 in fiscal year 2016 and
5.29 \$1,300,000 in fiscal year 2017 are from
5.30 the general fund for the greater Minnesota
5.31 business development public infrastructure
5.32 grant program under Minnesota Statutes,
5.33 section 116J.431. Funds available under this
5.34 paragraph may be used for site preparation

6.1 of property owned and to be used by private
 6.2 entities.

6.3 (1) Notwithstanding any law to the contrary,
 6.4 of the amount appropriated in fiscal year
 6.5 2016, \$1,800,000 is for a grant to the city
 6.6 of Cambridge to fund ongoing development
 6.7 and improvement of Trunk Highway 95
 6.8 within the city of Cambridge, including
 6.9 economic development, land acquisition and
 6.10 enhancements, safety improvements, design,
 6.11 engineering, environmental studies, corridor
 6.12 mappings, right-of-way acquisitions, and
 6.13 associated improvements. Notwithstanding
 6.14 Minnesota Statutes, section 116J.431,
 6.15 subdivision 1, a local match is not required for
 6.16 this project. This is a onetime appropriation
 6.17 and any unspent funds do not lapse.

6.18 (2) Notwithstanding any law to the contrary,
 6.19 of the amount appropriated in fiscal year
 6.20 2016, \$100,000 is for a grant to the city of
 6.21 Taylors Falls for economic development,
 6.22 redevelopment, and job creation programs
 6.23 and projects. This appropriation is available
 6.24 until expended.

6.25 (p) \$35,000 the first year is for an economic
 6.26 development grant for the city of Delano
 6.27 to reimburse the Delano Fourth of July
 6.28 Committee, Incorporated for unanticipated
 6.29 tax liabilities related to past city celebrations.

6.30 **Subd. 3. Workforce Development**

6.31	<u>Appropriations by Fund</u>	
6.32	<u>General</u>	<u>2,689,000</u> <u>2,039,000</u>
6.33	<u>Workforce</u>	
6.34	<u>Development</u>	<u>20,067,000</u> <u>18,667,000</u>

7.1 (a) \$1,039,000 each year from the general
7.2 fund and \$3,104,000 each year from the
7.3 workforce development fund are for the adult
7.4 workforce development competitive grant
7.5 program. Of this amount, up to five percent
7.6 is for administration and monitoring of the
7.7 adult workforce development competitive
7.8 grant program. All grant awards shall be
7.9 for two consecutive years. Grants shall be
7.10 awarded in the first year.

7.11 (b) \$4,050,000 each year is from the
7.12 workforce development fund for the
7.13 Minnesota youth program under Minnesota
7.14 Statutes, sections 116L.56 and 116L.561, to
7.15 provide employment and career advising to
7.16 youth, including career guidance in secondary
7.17 schools, to address the youth career advising
7.18 deficiency, to carry out activities outlined
7.19 in Minnesota Statutes, section 116L.561,
7.20 to provide support services, and to provide
7.21 work experience to youth in the workforce
7.22 service areas. The funds in this paragraph
7.23 may be used for expansion of the pilot
7.24 program combining career and higher
7.25 education advising in Laws 2013, chapter 85,
7.26 article 3, section 27. Activities in workforce
7.27 services areas under this paragraph may
7.28 serve all youth up to age 24.

7.29 (c) \$1,000,000 each year is from the
7.30 workforce development fund for the
7.31 youthbuild program under Minnesota
7.32 Statutes, sections 116L.361 to 116L.366.

7.33 (d) \$450,000 each year is from the workforce
7.34 development fund for a grant to Minnesota
7.35 Diversified Industries, Inc., to provide

8.1 progressive development and employment
8.2 opportunities for people with disabilities.

8.3 (e) \$3,348,000 each year is from the
8.4 workforce development fund for the "Youth
8.5 at Work" youth workforce development
8.6 competitive grant program. Of this amount,
8.7 up to five percent is for administration
8.8 and monitoring of the youth workforce
8.9 development competitive grant program. All
8.10 grant awards shall be for two consecutive
8.11 years. Grants shall be awarded in the first
8.12 year.

8.13 (f) \$1,500,000 each year is from the
8.14 workforce development fund for the
8.15 Opportunities Industrialization Center
8.16 programs. Of this amount, \$1,000,000 each
8.17 year is for the Emerging Workforce Coalition.

8.18 (g) \$750,000 each year is from the workforce
8.19 development fund for a grant to the
8.20 Minnesota Alliance of Boys and Girls
8.21 Clubs to administer a statewide project
8.22 of youth jobs skills development. This
8.23 project, which may have career guidance
8.24 components, including health and life skills,
8.25 is to encourage, train, and assist youth in
8.26 job-seeking skills, workplace orientation,
8.27 and job-site knowledge through coaching.
8.28 This grant requires a 25 percent match from
8.29 nonstate resources.

8.30 (h) \$500,000 the first year and \$500,000 the
8.31 second year are appropriated from the general
8.32 fund for the publication, dissemination,
8.33 and use of labor market information under
8.34 Minnesota Statutes, section 116J.4011, and
8.35 for pilot programs in the workforce service

9.1 areas to combine career and higher education
9.2 advising.

9.3 (i) \$125,000 each year is from the workforce
9.4 development fund for a grant to Big
9.5 Brothers, Big Sisters of the Greater Twin
9.6 Cities for workforce readiness, employment
9.7 exploration, and skills development for
9.8 youth ages 12 to 21. The grant must serve
9.9 youth in the Twin Cities, Central Minnesota
9.10 and Southern Minnesota Big Brothers, Big
9.11 Sisters chapters.

9.12 (j) \$900,000 in fiscal year 2016 and
9.13 \$1,100,000 in fiscal year 2017 are from the
9.14 workforce development fund for a grant to the
9.15 Minnesota High Tech Association to support
9.16 SciTechsperience, a program that supports
9.17 science, technology, engineering, and math
9.18 (STEM) internship opportunities for two-
9.19 and four-year college students in their field
9.20 of study. The internship opportunities
9.21 must match students with paid internships
9.22 within STEM disciplines at small, for-profit
9.23 companies located in the seven-county
9.24 metropolitan area, having fewer than 150
9.25 total employees; or at small or medium,
9.26 for-profit companies located outside of the
9.27 seven-county metropolitan area, having
9.28 fewer than 250 total employees. At least 200
9.29 students must be matched in the first year
9.30 and at least 250 students must be matched in
9.31 the second year. Selected hiring companies
9.32 shall receive from the grant 50 percent of the
9.33 wages paid to the intern, capped at \$2,500
9.34 per intern. The program must work toward
9.35 increasing the participation among women or
9.36 other underserved populations.

- 10.1 (k) \$140,000 each year is from the workforce
10.2 development fund for a grant to the St.
10.3 Cloud Area Somali Salvation Organization
10.4 for youth development and crime prevention
10.5 activities. Grant funds may be used to
10.6 train and place mentors in elementary and
10.7 secondary schools; for athletic, social,
10.8 and other activities to foster leadership
10.9 development; to provide a safe place for
10.10 participating youth to gather after school, on
10.11 weekends, and on holidays; and activities to
10.12 improve the organizational and job readiness
10.13 skills of participating youth.
- 10.14 (l) \$150,000 in fiscal year 2016 is for an
10.15 analysis of various options for the delivery
10.16 of a family medical leave insurance program
10.17 and associated costs and benefits. This is a
10.18 onetime appropriation.
- 10.19 (m) \$200,000 in fiscal year 2016 is from the
10.20 workforce development fund for the uniform
10.21 outcome report card requirements under
10.22 Minnesota Statutes, section 116L.98. This is
10.23 a onetime appropriation.
- 10.24 (n) \$500,000 each year is for rural career
10.25 counseling coordinator positions in the
10.26 workforce service areas and for the purposes
10.27 specified in Minnesota Statutes, section
10.28 116L.667. The commissioner, in consultation
10.29 with local workforce investment boards and
10.30 local elected officials in each of the service
10.31 areas receiving funds, shall develop a method
10.32 of distributing funds to provide equitable
10.33 services across workforce service areas.
- 10.34 (o) \$500,000 the first year is for a grant to
10.35 the Eastside Enterprise Center for economic

11.1 development and job creation, including
11.2 loans, business and workforce training, and
11.3 business assistance. This appropriation
11.4 shall be divided equally between African
11.5 Economic Development Solutions, the Asian
11.6 Economic Development Association, and the
11.7 Latino Economic Development Center. This
11.8 is a onetime appropriation.

11.9 (p) \$400,000 in fiscal year 2016 is for a grant
11.10 to YWCA Saint Paul for training and job
11.11 placement assistance, including commercial
11.12 driver's license training, through the job
11.13 placement and retention program. This is a
11.14 onetime appropriation.

11.15 (q) \$800,000 in fiscal year 2016 is from
11.16 the workforce development fund for
11.17 the customized training program for
11.18 manufacturing industries under Minnesota
11.19 Statutes, section 116L.65. This is a onetime
11.20 appropriation and is available in either year
11.21 of the biennium. Of this amount:

11.22 (1) \$350,000 is for a grant to Central Lakes
11.23 College for the purposes of this paragraph;

11.24 (2) \$250,000 is for Minnesota West
11.25 Community and Technical College for the
11.26 purposes of this paragraph; and

11.27 (3) \$200,000 is for South Central College for
11.28 the purposes of this paragraph.

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

11.33 (s) \$500,000 each year is from the workforce
11.34 development fund for a grant to Resource,

12.1 Inc. to provide low-income individuals
12.2 career education and job skills training that
12.3 are fully integrated with chemical and mental
12.4 health services.

12.5 (t) \$200,000 in fiscal year 2016 and \$200,000
12.6 in fiscal year 2017 are from the workforce
12.7 development fund for performance grants
12.8 under Minnesota Statutes, section 116J.8747,
12.9 to Twin Cities RISE! to provide training to
12.10 hard-to-train individuals. This is a onetime
12.11 appropriation.

12.12 (u) \$200,000 in fiscal year 2016 is from
12.13 the workforce development fund for the
12.14 foreign-trained health care professionals
12.15 grant program modeled after the pilot
12.16 program conducted under Laws 2006,
12.17 chapter 282, article 11, section 2, subdivision
12.18 12, to encourage state licensure of
12.19 foreign-trained health care professionals,
12.20 including: physicians, with preference given
12.21 to primary care physicians who commit
12.22 to practicing for at least five years after
12.23 licensure in underserved areas of the state;
12.24 nurses; dentists; pharmacists; mental health
12.25 professionals; and other allied health care
12.26 professionals. The commissioner must
12.27 collaborate with health-related licensing
12.28 boards and Minnesota workforce centers to
12.29 award grants to foreign-trained health care
12.30 professionals sufficient to cover the actual
12.31 costs of taking a course to prepare health
12.32 care professionals for required licensing
12.33 examinations and the fee for the state
12.34 licensing examinations. When awarding
12.35 grants, the commissioner must consider the
12.36 following factors:

- 13.1 (1) whether the recipient's training involves
- 13.2 a medical specialty that is in high demand in
- 13.3 one or more communities in the state;
- 13.4 (2) whether the recipient commits to
- 13.5 practicing in a designated rural area or an
- 13.6 underserved urban community, as defined in
- 13.7 Minnesota Statutes, section 144.1501;
- 13.8 (3) whether the recipient's language skills
- 13.9 provide an opportunity for needed health care
- 13.10 access for underserved Minnesotans; and
- 13.11 (4) any additional criteria established by the
- 13.12 commissioner.

13.13 This is a onetime appropriation and is
 13.14 available until June 30, 2019.

13.15 Subd. 4. **General Support Services**

13.16	<u>Appropriations by Fund</u>		
13.17	<u>General</u>	<u>2,659,000</u>	<u>2,854,000</u>
13.18	<u>Workforce</u>		
13.19	<u>Development</u>	<u>9,000</u>	<u>17,000</u>

13.20 \$150,000 each year is from the general fund
 13.21 for the cost-of-living study required under
 13.22 Minnesota Statutes, section 116J.013.

13.23 \$1,300,000 in fiscal year 2016 and
 13.24 \$1,300,000 in fiscal year 2017 are for
 13.25 operating the Olmstead Implementation
 13.26 Office. The base appropriation for the
 13.27 office is \$1,269,000 for fiscal year 2018 and
 13.28 \$1,269,000 in fiscal year 2019.

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

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

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

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

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

14.7 **Subd. 6. Vocational Rehabilitation**

14.8		<u>Appropriations by Fund</u>	
14.9	<u>General</u>	<u>21,361,000</u>	<u>20,361,000</u>
14.10	<u>Workforce</u>		
14.11	<u>Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

14.12 (a) \$10,800,000 each year is from the general
 14.13 fund for the state's vocational rehabilitation
 14.14 program under Minnesota Statutes, chapter
 14.15 268A.

14.16 (b) \$2,261,000 each year is from the general
 14.17 fund for grants to centers for independent
 14.18 living under Minnesota Statutes, section
 14.19 268A.11.

14.20 (c) \$5,745,000 each year from the general
 14.21 fund and \$6,830,000 each year from the
 14.22 workforce development fund are for extended
 14.23 employment services for persons with severe
 14.24 disabilities under Minnesota Statutes, section
 14.25 268A.15.

14.26 (d) \$1,555,000 each year is from the general
 14.27 fund for grants to programs that provide
 14.28 employment support services to persons with
 14.29 mental illness under Minnesota Statutes,
 14.30 sections 268A.13 and 268A.14.

14.31 (e) \$1,000,000 each year is from the
 14.32 workforce development fund for grants under
 14.33 Minnesota Statutes, section 268A.16, for
 14.34 employment services for persons, including
 14.35 transition-aged youth, who are deaf,

15.1 deafblind, or hard-of-hearing. If the amount
 15.2 in the first year is insufficient, the amount in
 15.3 the second year is available in the first year.

15.4 (f) \$1,000,000 in fiscal year 2016 is for a
 15.5 grant to Assistive Technology of Minnesota,
 15.6 a statewide nonprofit organization that is
 15.7 exclusively dedicated to the issues of access
 15.8 to and the acquisition of assistive technology.

15.9 The purpose of the grant is to acquire assistive
 15.10 technology and to work in tandem with
 15.11 individuals using this technology to create
 15.12 career paths. This is a onetime appropriation.

15.13 (g) For purposes of this subdivision,
 15.14 Minnesota Diversified Industries, Inc. is an
 15.15 eligible provider of services for persons with
 15.16 severe disabilities under Minnesota Statutes,
 15.17 section 268A.15.

15.18 <u>Subd. 7. Services for the Blind</u>	<u>5,925,000</u>	<u>5,925,000</u>
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15.19 <u>Subd. 8. Broadband Development</u>	<u>10,838,000</u>	<u>250,000</u>
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15.20 (a) \$250,000 each year is for the Broadband
 15.21 Development Office.

15.22 (b)(1) \$10,588,000 in fiscal year 2016 is for
 15.23 deposit in the border-to-border broadband
 15.24 fund account created under Minnesota
 15.25 Statutes, section 116J.396, and may be used
 15.26 for the purposes provided in Minnesota
 15.27 Statutes, section 116J.395. This is a onetime
 15.28 appropriation and is available until June 30,
 15.29 2017.

15.30 (2) Of the appropriation in clause (1), up
 15.31 to three percent of this amount is for costs
 15.32 incurred by the commissioner to administer
 15.33 Minnesota Statutes, section 116J.395.
 15.34 Administrative costs may include the

16.1 following activities related to measuring
16.2 progress toward the state's broadband goals
16.3 established in Minnesota Statutes, section
16.4 237.012:

16.5 (i) collecting broadband deployment data
16.6 from Minnesota providers, verifying its
16.7 accuracy through on-the-ground testing, and
16.8 creating state and county maps available
16.9 to the public showing the availability of
16.10 broadband service at various upload and
16.11 download speeds throughout Minnesota;

16.12 (ii) analyzing the deployment data collected
16.13 to help inform future investments in
16.14 broadband infrastructure; and

16.15 (iii) conducting business and residential
16.16 surveys that measure broadband adoption
16.17 and use in the state.

16.18 (3) Data provided by a broadband provider
16.19 under this paragraph is nonpublic data
16.20 under Minnesota Statutes, section 13.02,
16.21 subdivision 9. Maps produced under this
16.22 paragraph are public data under Minnesota
16.23 Statutes, section 13.03.

16.24 (c)(1) Of the amount appropriated under
16.25 paragraph (b), \$2,000,000 in fiscal year
16.26 2016 is for grants to cities for broadband
16.27 infrastructure and other eligible expenses,
16.28 as identified in Minnesota Statutes, section
16.29 116J.395, subdivision 2, for a wire-line
16.30 broadband infrastructure demonstration
16.31 project that is part of a public-private
16.32 partnership.

16.33 (2) In order to be awarded the broadband
16.34 infrastructure grant under clause (1), a city
16.35 must demonstrate:

- 17.1 (i) funding from nonstate sources that
- 17.2 matches the amount appropriated in clause
- 17.3 (1);
- 17.4 (ii) broadband service outages of 12 hours or
- 17.5 more in the area within its jurisdiction;
- 17.6 (iii) a decline in the number of businesses in
- 17.7 the area within its jurisdiction, as a result of
- 17.8 adequate broadband service; and
- 17.9 (iv) an agreement that the city will own
- 17.10 the broadband infrastructure as part of the
- 17.11 public-private partnership.
- 17.12 (3) The commissioner of employment and
- 17.13 economic development must award the
- 17.14 broadband infrastructure grant under clause
- 17.15 (1) before September 1, 2015.

17.16 **Sec. 3. HOUSING FINANCE AGENCY**

17.17	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 53,048,000</u>	<u>\$ 49,048,000</u>
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17.18 The amounts that may be spent for each
 17.19 purpose are specified in the following
 17.20 subdivisions.

17.21 Unless otherwise specified, this appropriation
 17.22 is for transfer to the housing development
 17.23 fund for the programs specified in this
 17.24 section. Except as otherwise indicated, this
 17.25 transfer is part of the agency's permanent
 17.26 budget base.

17.27	<u>Subd. 2. Challenge Program</u>	<u>14,925,000</u>	<u>12,925,000</u>
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17.28 (a) This appropriation is for the economic
 17.29 development and housing challenge program
 17.30 under Minnesota Statutes, section 462A.33.
 17.31 The agency must continue to strengthen its
 17.32 efforts to address the disparity rate between
 17.33 white households and indigenous American

18.1 Indians and communities of color. Of this
 18.2 amount, \$1,208,000 each year shall be made
 18.3 available during the first 11 months of the
 18.4 fiscal year exclusively for housing projects
 18.5 for American Indians. Any funds not
 18.6 committed to housing projects for American
 18.7 Indians in the first 11 months of the fiscal year
 18.8 shall be available for any eligible activity
 18.9 under Minnesota Statutes, section 462A.33.

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

- 18.13 (i) low housing vacancy rates;
- 18.14 (ii) cooperatively developed a plan that
 18.15 identifies current and future housing needs;
- 18.16 (iii) evidence of anticipated job expansion; or
- 18.17 (iv) a significant portion of area employees
 18.18 who commute more than 30 miles between
 18.19 their residence and their employment.

18.20 (2) Among comparable housing proposals,
 18.21 preference must be given to proposals that:

- 18.22 (i) include a meaningful contribution from
 18.23 area employers that reduces the need for
 18.24 deferred loan or grant funds from state
 18.25 resources; or
- 18.26 (ii) provide housing opportunities for an
 18.27 expanded range of household incomes
 18.28 within a community or that provide housing
 18.29 opportunities for a wide range of incomes
 18.30 within the development.

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

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

19.1 (a) This appropriation is for deposit in the
 19.2 housing trust fund account created under
 19.3 Minnesota Statutes, section 462A.201, and
 19.4 may be used for the purposes provided in
 19.5 that section. To the extent that these funds
 19.6 are used for the acquisition of housing, the
 19.7 agency shall give priority among comparable
 19.8 projects to projects that focus on creating
 19.9 safe and stable housing for homeless youth
 19.10 or projects that provide housing to trafficked
 19.11 women and children.

19.12 (b) \$2,000,000 the first year is a onetime
 19.13 appropriation for temporary rental assistance
 19.14 for families with school-age children who
 19.15 have changed their school or home at least
 19.16 once in the last school year. The agency,
 19.17 in consultation with the Department of
 19.18 Education, may establish additional targeting
 19.19 criteria.

19.20 **Subd. 4. Rental Assistance for Mentally Ill** 2,838,000 2,838,000

19.21 This appropriation is for the rental housing
 19.22 assistance program for persons with a mental
 19.23 illness or families with an adult member with
 19.24 a mental illness under Minnesota Statutes,
 19.25 section 462A.2097. Among comparable
 19.26 proposals, the agency shall prioritize those
 19.27 proposals that target, in part, eligible persons
 19.28 who desire to move to more integrated,
 19.29 community-based settings.

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

19.31 This appropriation is for the family homeless
 19.32 prevention and assistance programs under
 19.33 Minnesota Statutes, section 462A.204.

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

20.1 This appropriation is for the home ownership
 20.2 assistance program under Minnesota
 20.3 Statutes, section 462A.21, subdivision 8.
 20.4 The agency shall continue to strengthen
 20.5 its efforts to address the disparity gap in
 20.6 the homeownership rate between white
 20.7 households and indigenous American Indians
 20.8 and communities of color.

20.9	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
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20.10 (a) This appropriation is for the affordable
 20.11 rental investment fund program under
 20.12 Minnesota Statutes, section 462A.21,
 20.13 subdivision 8b, to finance the acquisition,
 20.14 rehabilitation, and debt restructuring of
 20.15 federally assisted rental property and
 20.16 for making equity take-out loans under
 20.17 Minnesota Statutes, section 462A.05,
 20.18 subdivision 39.

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

21.1 developments to developments that are or
 21.2 will be owned by local government units, a
 21.3 housing and redevelopment authority, or a
 21.4 nonprofit housing organization.

21.5 (c) The appropriation also may be used to
 21.6 finance the acquisition, rehabilitation, and
 21.7 debt restructuring of existing supportive
 21.8 housing properties. For purposes of this
 21.9 paragraph, "supportive housing" means
 21.10 affordable rental housing with links to
 21.11 services necessary for individuals, youth, and
 21.12 families with children to maintain housing
 21.13 stability.

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

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

21.27 **Subd. 9. Homeownership Education,**
 21.28 **Counseling, and Training** 857,000 857,000

21.29 This appropriation is for the homeownership
 21.30 education, counseling, and training program
 21.31 under Minnesota Statutes, section 462A.209.
 21.32 Priority may be given to funding programs
 21.33 that are aimed at culturally specific groups
 21.34 who are providing services to members of
 21.35 their communities.

22.1	<u>Subd. 10. Capacity Building Grants</u>	<u>375,000</u>	<u>375,000</u>
22.2	<u>This appropriation is for nonprofit capacity</u>		
22.3	<u>building grants under Minnesota Statutes,</u>		
22.4	<u>section 462A.21, subdivision 3b. Of this</u>		
22.5	<u>amount, \$250,000 each year is for support</u>		
22.6	<u>of the Homeless Management Information</u>		
22.7	<u>System (HMIS).</u>		
22.8	Sec. 4. <u>EXPLORE MINNESOTA TOURISM</u>	\$ <u>14,118,000</u>	\$ <u>14,248,000</u>
22.9	<u>(a) To develop maximum private sector</u>		
22.10	<u>involvement in tourism, \$500,000 in fiscal</u>		
22.11	<u>year 2016 and \$500,000 in fiscal year 2017</u>		
22.12	<u>must be matched by Explore Minnesota</u>		
22.13	<u>Tourism from nonstate sources. Each \$1 of</u>		
22.14	<u>state incentive must be matched with \$6 of</u>		
22.15	<u>private sector funding. Cash match is defined</u>		
22.16	<u>as revenue to the state or documented cash</u>		
22.17	<u>expenditures directly expended to support</u>		
22.18	<u>Explore Minnesota Tourism programs. Up</u>		
22.19	<u>to one-half of the private sector contribution</u>		
22.20	<u>may be in-kind or soft match. The incentive</u>		
22.21	<u>in fiscal year 2016 shall be based on fiscal</u>		
22.22	<u>year 2015 private sector contributions. The</u>		
22.23	<u>incentive in fiscal year 2017 shall be based on</u>		
22.24	<u>fiscal year 2016 private sector contributions.</u>		
22.25	<u>This incentive is ongoing.</u>		
22.26	<u>(b) Funding for the marketing grants is</u>		
22.27	<u>available either year of the biennium.</u>		
22.28	<u>Unexpended grant funds from the first year</u>		
22.29	<u>are available in the second year.</u>		
22.30	<u>(c) \$30,000 in fiscal year 2016 is for Mille</u>		
22.31	<u>Lacs Lake tourism promotion. This is a</u>		
22.32	<u>onetime appropriation.</u>		
22.33	Sec. 5. <u>DEPARTMENT OF LABOR AND</u>		
22.34	<u>INDUSTRY</u>		

23.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ 23,646,000</u>	<u>\$ 24,234,000</u>
23.2	<u>Appropriations by Fund</u>			
23.3		<u>2016</u>	<u>2017</u>	
23.4	<u>General</u>	<u>1,184,000</u>	<u>1,202,000</u>	
23.5	<u>Workers'</u>			
23.6	<u>Compensation</u>	<u>21,419,000</u>	<u>21,975,000</u>	
23.7	<u>Workforce</u>			
23.8	<u>Development</u>	<u>1,043,000</u>	<u>1,057,000</u>	

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

23.12	<u>Subd. 2. Workers' Compensation</u>		<u>11,226,000</u>	<u>11,782,000</u>
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23.13 This appropriation is from the workers'
 23.14 compensation fund.

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

23.16	<u>Appropriations by Fund</u>		
23.17	<u>General</u>	<u>1,184,000</u>	<u>1,202,000</u>
23.18	<u>Workforce</u>		
23.19	<u>Development</u>	<u>1,043,000</u>	<u>1,057,000</u>

23.20 (a) \$1,084,000 in fiscal year 2016 and
 23.21 \$1,102,000 in fiscal year 2017 are from the
 23.22 general fund for the labor standards and
 23.23 apprenticeship program.

23.24 (b) \$879,000 in fiscal year 2016 and \$879,000
 23.25 in fiscal year 2017 are from the workforce
 23.26 development fund for the apprenticeship
 23.27 program under Minnesota Statutes, chapter
 23.28 178. Of this amount, \$100,000 each year
 23.29 is for labor education and advancement
 23.30 program grants and to expand and promote
 23.31 registered apprenticeship training in
 23.32 nonconstruction trade programs.

23.33 (c) \$164,000 the first year and \$178,000
 23.34 the second year are from the workforce

24.1	<u>development fund for prevailing wage</u>			
24.2	<u>enforcement.</u>			
24.3	<u>Subd. 4. Workplace Safety</u>		<u>4,154,000</u>	<u>4,154,000</u>
24.4	<u>This appropriation is from the workers'</u>			
24.5	<u>compensation fund.</u>			
24.6	<u>Subd. 5. General Support</u>		<u>6,039,000</u>	<u>6,039,000</u>
24.7	<u>This appropriation is from the workers'</u>			
24.8	<u>compensation fund.</u>			
24.9	<u>Sec. 6. BUREAU OF MEDIATION</u>			
24.10	<u>SERVICES</u>	<u>\$</u>	<u>2,183,000</u>	<u>\$</u> <u>2,183,000</u>
24.11	<u>(a) \$68,000 each year is for grants to area</u>			
24.12	<u>labor management committees. Grants may</u>			
24.13	<u>be awarded for a 12-month period beginning</u>			
24.14	<u>July 1 each year. Any unencumbered balance</u>			
24.15	<u>remaining at the end of the first year does not</u>			
24.16	<u>cancel but is available for the second year.</u>			
24.17	<u>(b) \$125,000 each year is for purposes of the</u>			
24.18	<u>Public Employment Relations Board under</u>			
24.19	<u>Minnesota Statutes, section 179A.041.</u>			
24.20	<u>(c) \$256,000 each year is for the Office</u>			
24.21	<u>of Collaboration and Dispute Resolution</u>			
24.22	<u>under Minnesota Statutes, section 179.90.</u>			
24.23	<u>Of this amount, \$160,000 each year is</u>			
24.24	<u>for grants under Minnesota Statutes,</u>			
24.25	<u>section 179.91, and \$96,000 each year is</u>			
24.26	<u>for intergovernmental and public policy</u>			
24.27	<u>collaboration and operation of the office.</u>			
24.28	<u>Sec. 7. WORKERS' COMPENSATION</u>			
24.29	<u>COURT OF APPEALS</u>	<u>\$</u>	<u>1,703,000</u>	<u>\$</u> <u>1,703,000</u>
24.30	<u>This appropriation is from the workers'</u>			
24.31	<u>compensation fund.</u>			
24.32	<u>Sec. 8. DEPARTMENT OF COMMERCE</u>			

25.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$ 27,313,000</u>	<u>\$ 27,689,000</u>
25.2	<u>Appropriations by Fund</u>			
25.3		<u>2016</u>	<u>2017</u>	
25.4	<u>General</u>	<u>24,270,000</u>	<u>24,646,000</u>	
25.5	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>	
25.6	<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>	
25.7	<u>Workers'</u>			
25.8	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>	

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

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

25.13 Subd. 3. **Petroleum Tank Release**
 25.14 **Compensation Board** 1,052,000 1,052,000

25.15 This appropriation is from the petroleum
 25.16 tank fund.

25.17 Subd. 4. **Administrative Services** 6,968,000 7,353,000

25.18 \$375,000 each year is for additional
 25.19 compliance efforts with unclaimed property.

25.20 The commissioner may issue contracts for
 25.21 these services.

25.22 \$100,000 each year is for the support of
 25.23 broadband development.

25.24 \$162,000 in fiscal year 2016 and \$33,000 in
 25.25 fiscal year 2017 are from the general fund
 25.26 for rulemaking and administration under
 25.27 Minnesota Statutes, section 80A.461.

25.28 \$92,000 in fiscal year 2016 is appropriated
 25.29 from the general fund to the commissioner
 25.30 of commerce and is transferred to the
 25.31 department of administration for the purpose
 25.32 of completing the transfer of functions study
 25.33 as follows:

26.1 (a) The commissioner of the Department
26.2 of Administration shall contract with the
26.3 Management, Analysis, and Development
26.4 Division of Minnesota Management and
26.5 Budget for a study to examine potential cost
26.6 savings and program efficiencies that may
26.7 result from transferring certain functions
26.8 and staff of the division of energy resources
26.9 in the Department of Commerce to the
26.10 Public Utilities Commission. In conducting
26.11 the study, the Management, Analysis, and
26.12 Development Division must:

26.13 (1) analyze the functions of the various
26.14 offices of both the division of energy
26.15 resources and the commission;

26.16 (2) assess any duplicative functions of staff
26.17 and redundant management positions;

26.18 (3) assess whether transferring specific
26.19 functions and staff would result in a clearer
26.20 and more functional link between authority
26.21 and responsibility for accomplishing various
26.22 activities;

26.23 (4) consider whether any such transfers would
26.24 make governmental decisions regarding
26.25 energy more transparent to the public;

26.26 (5) determine which specific positions,
26.27 including administrative support, could be
26.28 eliminated as a result of the transfer without
26.29 appreciably diminishing the quantity or
26.30 quality of work produced;

26.31 (6) calculate the budgetary savings that could
26.32 be realized as a result of transferring functions
26.33 and eliminating redundant positions;

27.1 (7) estimate any cost savings that would
 27.2 accrue to regulated utilities as a result of
 27.3 transferring functions;
 27.4 (8) assess the benefits and costs of various
 27.5 options with respect to transferring functions
 27.6 and staff; and
 27.7 (9) assume that any transfer is subject to the
 27.8 provisions of Minnesota Statutes, section
 27.9 15.039.

27.10 (b) The study must, by January 1, 2016, be
 27.11 submitted to the chairs and ranking minority
 27.12 members of the senate and house committees
 27.13 with jurisdiction over energy policy and state
 27.14 government operations.

27.15 Subd. 5. **Telecommunications**

27.16	<u>Appropriations by Fund</u>		
27.17	<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
27.18	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>

27.19 \$1,240,000 each year is from the
 27.20 telecommunication access fund for the
 27.21 following transfers. This appropriation is
 27.22 added to the department's base.
 27.23 (1) \$800,000 each year is to the commissioner
 27.24 of human services to supplement the ongoing
 27.25 operational expenses of the Commission
 27.26 of Deaf, DeafBlind, and Hard-of-Hearing
 27.27 Minnesotans;
 27.28 (2) \$290,000 each year is to the chief
 27.29 information officer for the purpose of
 27.30 coordinating technology accessibility and
 27.31 usability; and
 27.32 (3) \$150,000 each year is to the Legislative
 27.33 Coordinating Commission for captioning of
 27.34 legislative coverage.

28.1 Subd. 6. Enforcement

28.2 Appropriations by Fund

28.3 General 4,622,000 4,622,000

28.4 Workers'

28.5 Compensation 198,000 198,000

28.6 Subd. 7. Energy Resources 3,424,000 3,415,000

28.7 \$150,000 each year is for grants to
 28.8 providers of low-income weatherization
 28.9 services to install renewable energy
 28.10 equipment in households that are eligible for
 28.11 weatherization assistance under Minnesota's
 28.12 weatherization assistance program state
 28.13 plan as provided for in Minnesota Statutes,
 28.14 section 216C.264.

28.15 Subd. 8. Insurance

28.16 Appropriations by Fund

28.17 General 3,362,000 3,362,000

28.18 Workers'

28.19 Compensation 553,000 553,000

28.20 Sec. 9. PUBLIC UTILITIES COMMISSION \$ 6,966,000 \$ 6,930,000

28.21 **ARTICLE 2**

28.22 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

28.23 Section 1. Minnesota Statutes 2014, section 116J.394, is amended to read:

28.24 **116J.394 DEFINITIONS.**

28.25 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
 28.26 the meanings given them.

28.27 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
 28.28 subdivision 1, paragraph (b).

28.29 (c) "Broadband infrastructure" means networks of deployed telecommunications
 28.30 equipment and technologies necessary to provide high-speed Internet access and other
 28.31 advanced telecommunications services for end users.

28.32 (d) "Commissioner" means the commissioner of employment and economic
 28.33 development.

29.1 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
 29.2 final leg connecting the broadband service provider's network to the end-use customer's
 29.3 on-premises telecommunications equipment.

29.4 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
 29.5 broadband service provider's core network infrastructure to last-mile infrastructure.

29.6 (g) "Political subdivision" means any county, city, town, school district, special
 29.7 district or other political subdivision, or public corporation.

29.8 (h) "Underserved areas" means areas of Minnesota in which households or businesses
 29.9 lack access to wire-line broadband service at speeds that meet the state broadband goals of
 29.10 ten to 20 megabits per second download and five to ten megabits per second upload.

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

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

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

29.19 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have
 29.20 the meanings given.

29.21 (b) "Eligible project area" means a home rule charter or statutory city with a
 29.22 population exceeding 500; a community that has a combined population of 1,500 residents
 29.23 located within 15 miles of a home rule charter or statutory city; or an area served by a joint
 29.24 county-city economic development authority.

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

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

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

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

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

30.8 Subd. 3. **Application.** The commissioner shall develop forms and procedures
30.9 for soliciting and reviewing application for grants under this section. At a minimum, a
30.10 city must include in its application a resolution of its governing body certifying that the
30.11 matching amount as required under this section is available and committed.

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

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

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

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

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

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

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

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

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

31.2 Subd. 3. **Certification of qualified business.** (a) A business may apply to
31.3 the commissioner for certification as a qualified business under this section. The
31.4 commissioner shall specify the form of the application, the manner and times for applying,
31.5 and the information required to be included in the application. The commissioner may
31.6 impose an application fee in an amount sufficient to defray the commissioner's cost of
31.7 processing certifications. Application fees are deposited in the greater Minnesota business
31.8 expansion administration account in the special revenue fund. A business must file a copy
31.9 of its application with the chief clerical officer of the city at the same time it applies to the
31.10 commissioner. For an agricultural processing facility located outside the boundaries of a
31.11 city, the business must file a copy of the application with the county auditor.

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

31.13 (1) satisfies the requirements of subdivision 2;

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

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

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

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

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

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

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

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

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

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

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

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

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

32.19 (2) support services, including assistance to help the participant relocate to employ
32.20 existing skills; out-of-area job search assistance; family care assistance, including child
32.21 care; commuting assistance; emergency housing and rental assistance; counseling
32.22 assistance, including personal and financial; health care; emergency health assistance;
32.23 emergency financial assistance; work-related tools and clothing; and other appropriate
32.24 support services that enable a person to participate in an employment and training program
32.25 with the goal of reemployment;

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

32.30 (4) long-term training in a new occupation or industry, including occupational skills
32.31 training or customized training in an accredited program recognized by one or more
32.32 relevant industries. Long-term training shall only be provided to dislocated workers whose
32.33 skills are obsolete and who have no other transferable skills likely to result in employment
32.34 at a comparable wage rate. Training shall only be provided for occupations or industries
32.35 with reasonable expectations of job availability based on the service provider's thorough

33.1 assessment of local labor market information where the individual currently resides or
33.2 is willing to relocate. This clause shall not restrict training in personal services or other
33.3 such industries; and

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

33.7 Sec. 6. **[116L.40] DEFINITIONS.**

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

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

33.12 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
33.13 and economic development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34.28 (1) determine that sufficient funds for the project are available under section
34.29 116L.42; and

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

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

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

35.6 Subd. 4. **Allocation.** The commissioner shall allocate grant funds under section
35.7 116L.42 to project applications based on a first-come, first-served basis, determined on the
35.8 basis of the commissioner's receipt of a complete application for the project, including the
35.9 provision of all of the required information. The agreement must specify the amount of
35.10 grant funds available to the employer for each year covered by the agreement.

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

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

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

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

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

- 35.26 (1) the amount of grants issued under the program;
35.27 (2) the number of individuals receiving training under the program, including the
35.28 number of new hires who are individuals with disabilities;
35.29 (3) the number of new hires attributable to the program, including the number of
35.30 new hires who are individuals with disabilities;
35.31 (4) an analysis of the effectiveness of the grant in encouraging employment; and
35.32 (5) any other information the commissioner determines appropriate.
35.33 (b) The report to the legislature must be distributed as provided in section 3.195.

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

36.1 Subdivision 1. **Requirement.** Each workforce service area located outside of the
36.2 metropolitan area, as defined in section 473.121, subdivision 2, except for a service area
36.3 that serves a single city outside of the metropolitan area, must have a career counseling
36.4 coordinator who is responsible for improving coordination and communication of
36.5 workforce development programs and services within the workforce service area, with
36.6 other workforce service areas and career counseling coordinators, and with administering
36.7 agencies. A career counseling coordinator may serve as the coordinator for up to two
36.8 service areas.

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

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

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

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

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

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

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

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

36.30 Subd. 3. **Reporting; consolidation.** The workforce council in each of the workforce
36.31 service areas having a career counseling coordinator shall submit an annual report to
36.32 the commissioner that includes, but is not limited to, a narrative of and the number of
36.33 businesses, job seekers, and other stakeholders served by the career counseling coordinator
36.34 function, an accounting of workforce development and career counseling programs
36.35 and services offered in the assigned workforce service area, and any recommendations
36.36 for changes to workforce development efforts in the workforce service area. Beginning

37.1 January 15, 2016, and each year thereafter, the commissioner shall consolidate the reports
37.2 and submit the consolidated report to the legislative committees with jurisdiction over
37.3 economic development and workforce policy and finance.

37.4 Sec. 10. Minnesota Statutes 2014, section 116L.98, subdivision 3, is amended to read:

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

37.11 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

37.31 (13) the total cost of the program;

37.32 (14) the total cost of the program per participant;

37.33 (15) the cost per credential received by a participant; and

37.34 (16) the administrative cost of the program.

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

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

38.6 Sec. 11. Minnesota Statutes 2014, section 116L.98, subdivision 5, is amended to read:

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

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

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

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

38.16 Sec. 12. Minnesota Statutes 2014, section 116L.98, subdivision 7, is amended to read:

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

38.22 (b) The commissioner shall contract with an independent entity to conduct an
38.23 ongoing net impact analysis of the programs included in the net impact pilot project under
38.24 paragraph (a), career pathways programs, and any other programs deemed appropriate
38.25 by the commissioner. The net impact methodology used by the independent entity under
38.26 this paragraph must be based on the methodology and evaluation design used in the net
38.27 impact pilot project under paragraph (a).

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

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

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

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

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

39.10 Sec. 13. Minnesota Statutes 2014, section 268A.01, subdivision 6, is amended to read:

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

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

39.20 Sec. 14. Minnesota Statutes 2014, section 268A.01, subdivision 10, is amended to read:

39.21 Subd. 10. **Extended employment program.** "Extended employment program"
39.22 means ~~the center-based~~ noncompetitive employment and supported employment
39.23 subprograms.

39.24 Sec. 15. Minnesota Statutes 2014, section 268A.01, is amended by adding a
39.25 subdivision to read:

39.26 Subd. 15. **Noncompetitive employment.** "Noncompetitive employment" means
39.27 paid work:

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

39.32 (2)(i) for which the person is paid less than the customary rate paid by the employer
39.33 for the same or similar work performed by other nondisabled employees who are similarly

40.1 situated in similar occupations by the same employer and who have similar training,
40.2 experience, and skills; or

40.3 (ii) which is performed at a location where the employee does not interact with
40.4 nondisabled persons, not including supervisory personnel or persons who are providing
40.5 services to the employee, to the same extent that nondisabled persons who are in
40.6 comparable positions interact with other persons.

40.7 Sec. 16. Minnesota Statutes 2014, section 268A.03, is amended to read:

40.8 **268A.03 POWERS AND DUTIES.**

40.9 The commissioner shall:

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

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

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

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

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

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

40.33 (7) receive and disburse pursuant to law money and gifts available from
40.34 governmental and private sources including, but not limited to, the federal Department

41.1 of Education and the Social Security Administration, for the purpose of vocational
41.2 rehabilitation or independent living;

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

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

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

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

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

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

41.21 Sec. 17. Minnesota Statutes 2014, section 268A.06, is amended to read:

41.22 **268A.06 COMMUNITY REHABILITATION FACILITIES PROVIDERS.**

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

41.29 Subd. 2. **Funding.** In order to provide the necessary funds for extended employment
41.30 programs offered by a community rehabilitation facility provider, the governing body of
41.31 any city, town, or county may expend money which may be available for such purposes in
41.32 the general fund, and may levy a tax on the taxable property in the city, town, or county. Any
41.33 city, town, county, or nonprofit corporation may accept gifts or grants from any source for
41.34 the ~~rehabilitation facility~~ extended employment program. Any money appropriated, taxed,
41.35 or received as a gift or grant may be used to match funds available on a matching basis.

42.1 Sec. 18. Minnesota Statutes 2014, section 268A.07, is amended to read:

42.2 **268A.07 REQUIREMENTS FOR CERTIFICATION.**

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

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

42.11 Sec. 19. Minnesota Statutes 2014, section 268A.085, is amended to read:

42.12 **268A.085 COMMUNITY REHABILITATION FACILITY PROVIDER**
 42.13 **GOVERNING BOARDS.**

42.14 Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit
 42.15 corporation, or combination thereof establishing a ~~rehabilitation facility~~ an extended
 42.16 employment program shall appoint a ~~rehabilitation facility~~ governing board of no fewer
 42.17 than seven voting members before becoming eligible for the assistance provided by
 42.18 sections 268A.06 to 268A.15. When any city, town, or county singly establishes ~~such a~~
 42.19 ~~rehabilitation facility~~ an extended employment program, the governing board shall be
 42.20 appointed by the chief executive officer of the city or the chair of the governing board
 42.21 of the county or town. When any combination of cities, towns, counties, or nonprofit
 42.22 corporations establishes a ~~rehabilitation facility~~ an extended employment program, the
 42.23 chief executive officers of the cities, nonprofit corporations, and the chairs of the governing
 42.24 bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly
 42.25 establishes a ~~rehabilitation facility~~ an extended employment program, the corporation
 42.26 shall appoint the board of directors. Membership on a board shall be representative of
 42.27 the community served and shall include a person with a disability. If a county establishes
 42.28 an extended employment program and manages the program with county employees, the
 42.29 governing board shall be the county board of commissioners, and other provisions of this
 42.30 chapter pertaining to membership on the governing board do not apply.

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

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

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

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

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

43.10 Sec. 20. Laws 2014, chapter 308, article 6, section 14, subdivision 5, is amended to read:

43.11 Subd. 5. **Allocation.** The amount of a grant may not exceed the lesser of \$400,000
 43.12 \$1,000,000 or ~~ten~~ 25 percent of the rental housing development project cost. The
 43.13 commissioner shall not award a grant to a city without certification by the city that the
 43.14 amount of the grant shall be matched by a local unit of government, business, or nonprofit
 43.15 organization with \$1 for every \$2 provided in grant funds.

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

43.18 Sec. 21. **MECHANISMS AND COSTS; MINNESOTA PAID FAMILY AND**
 43.19 **MEDICAL LEAVE PROGRAM.**

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

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

43.25 ARTICLE 3

43.26 DEPARTMENT OF COMMERCE

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

43.28 Subdivision 1. **State cost-share for federal assistance.** State appropriations may be
 43.29 used to pay 100 percent of the nonfederal share for state agencies ~~and~~, local governments,
 43.30 and utility cooperatives under section 12.221. An appropriation from the bond proceeds
 43.31 fund may be used as cost-share for federal disaster assistance for publicly owned capital
 43.32 improvement projects.

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

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

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

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

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

44.9 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained
44.10 exceeds \$5,000;

44.11 (2) \$10,000 if the funds or value of the property or services wrongfully obtained
44.12 exceeds \$1,000, but not more than \$5,000;

44.13 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is
44.14 more than \$500, but not more than \$1,000; and

44.15 (4) \$1,000 if the funds or value of the property or services wrongfully obtained
44.16 is \$500 or less.

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

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

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

44.26 (f) Hearings under this subdivision must be conducted in accordance with chapter
44.27 14 and any other applicable law.

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

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

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

44.34 (a) This chapter does not apply to:

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

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

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

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

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

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

45.13 Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions
45.14 2 to 10 have the meanings given them.

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

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

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

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

45.22 (2) the lessor in a lease transaction;

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

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

45.26 (5) the assignees of any of the foregoing to whom the credit obligation is payable.

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

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

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

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

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

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

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

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

46.15 **Sec. 6. [59D.04] GUARANTEED ASSET PROTECTION WAIVER**
46.16 **REQUIREMENTS.**

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

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

46.21 Subd. 3. **Certain costs not considered finance charge or interest.** Notwithstanding
46.22 any other provision of law, any cost to the borrower for a guaranteed asset protection
46.23 waiver entered into in compliance with United States Code, title 15, sections 1601 to
46.24 1667F, and its implementing regulations under Code of Federal Regulations, title 12, part
46.25 226, as they may be amended from time to time, must be separately stated and is not to
46.26 be considered a finance charge or interest.

46.27 Subd. 4. **Insurance.** A retail seller must insure its GAP waiver obligations under a
46.28 contractual liability or other insurance policy issued by an insurer. A creditor, other than a
46.29 retail seller, may insure its GAP waiver obligations under a contractual liability policy or
46.30 other such policy issued by an insurer. The insurance policy may be directly obtained by a
46.31 creditor or retail seller, or may be procured by an administrator to cover a creditor's or
46.32 retail seller's obligations. Retail sellers that are lessors on motor vehicles are not required
46.33 to insure obligations related to GAP waivers on leased vehicles.

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

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

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

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

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

47.16 **Sec. 7. [59D.05] CONTRACTUAL LIABILITY OR OTHER INSURANCE**
47.17 **POLICIES.**

47.18 Subdivision 1. **Reimbursement or payment statement.** Contractual liability or
47.19 other insurance policies insuring GAP waivers must state the obligation of the insurer to
47.20 reimburse or pay to the creditor any sums the creditor is legally obligated to waive under
47.21 the GAP waivers issued by the creditor and purchased or held by the borrower.

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

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

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

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

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

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

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

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

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

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

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

48.21 (7) the methodology for calculating a refund of the unearned purchase price of the
48.22 GAP waiver due in the event of cancellation of the GAP waiver or early termination
48.23 of the finance agreement;

48.24 (8) that the extension of credit, the terms of the credit, or the terms and conditions
48.25 of the related motor vehicle sale or lease are not conditioned upon the purchase of the
48.26 GAP waiver; and

48.27 (9) that the extension of credit, the terms of the credit, or the terms and conditions
48.28 of the related motor vehicle sale or lease are not conditioned upon the purchase of the
48.29 GAP waiver.

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

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

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

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

49.6 (b) In the event of a borrower's cancellation of the GAP waiver or early termination
49.7 of the finance agreement, after the agreement has been in effect beyond the free-look
49.8 period, the borrower may be entitled to a refund of any unearned portion of the purchase
49.9 price of the waiver unless the waiver provides otherwise. In order to receive a refund,
49.10 the borrower, in accordance with any applicable terms of the waiver, must provide a
49.11 written request to the creditor, administrator, or other party. If such a request is being
49.12 made because of the termination of the finance agreement, notice must be provided to
49.13 the creditor, administrator, or other party within 90 days of the occurrence of the event
49.14 terminating the finance agreement.

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

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

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

49.23 Subd. 2. Expenses. Each registered insurer subject to this section is liable for and
49.24 shall pay the reasonable expenses of the commissioner's participation in a supervisory
49.25 college in accordance with subdivision 3, including reasonable travel expenses. For
49.26 purposes of this section, a supervisory college may be convened as either a temporary
49.27 or permanent forum for communication and cooperation between the regulators charged
49.28 with the supervision of the insurer or its affiliates, and the commissioner may establish a
49.29 regular assessment to the insurer for the payment of these expenses. A registered insurer's
49.30 liability for expenses under this subdivision is limited to the actual, incurred costs of the
49.31 commissioner's participation in their supervisory college.

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

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

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

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

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

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

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

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

50.17 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
50.18 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
50.19 230.147, of the entity's assets were located in Minnesota;

50.20 (3) except in the case of an entity whose gross revenue during the most recent period
50.21 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other
50.22 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
50.23 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal
50.24 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or
50.25 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
50.26 fiscal year, if the MNvest offering begins following the last day;

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

50.30 (5) the entity is not:

50.31 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
50.32 securities, except that the entity may hold securities of one class in an entity that is not
50.33 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
50.34 securities; or

51.1 (ii) subject to the reporting requirements of the Securities and Exchange Act of
51.2 1934, section 13 or 15(d), United States Code, title 15, sections 78m and 78o(d).

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

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

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

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

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

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

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

51.18 Subd. 3. **MNvest offering.** A MNvest offering must satisfy the following
51.19 requirements:

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

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

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

51.27 (4) the MNvest issuer shall require the portal operator to provide or make available
51.28 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
51.29 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
51.30 was in existence. For offerings beginning more than 90 days after the issuer's most recent
51.31 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
51.32 MNvest issuer must provide or make available a balance sheet as of a date not more than
51.33 90 days before the commencement of the MNvest offering for the MNvest issuer's most
51.34 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
51.35 during that period, and the year-to-date period, or inception-to-date period, if shorter,
51.36 corresponding with the more recent balance sheet required by this clause;

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

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

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

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

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

52.18 (8) all payments for the purchase of securities must be held in escrow until the
52.19 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
52.20 stated minimum offering amount. Purchasers will receive a return of all their subscription
52.21 funds if the minimum offering amount is not raised by the stipulated expiration date
52.22 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
52.23 company, savings bank, savings association, or credit union authorized to do business
52.24 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
52.25 the escrow agent, the escrow agent must conduct searches of the issuer, its executive
52.26 officers, directors, governors, and managers, as provided to the escrow agent by the portal
52.27 operator, against the Specially Designated Nationals list maintained by the Office of
52.28 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
52.29 party establishing the escrow account and does not have a duty or liability, contractual
52.30 or otherwise, to an investor or other person except as set forth in the applicable escrow
52.31 agreement or other contract;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53.34 The MNvest issuer shall require the portal operator to make available to the prospective
53.35 purchaser through the MNvest portal a printable or downloadable disclosure document
53.36 containing the following:

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

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

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

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

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

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

54.18 (7) the terms and conditions of the securities being offered, a description of investor
54.19 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
54.20 maximum amount of securities being offered; either the percentage economic ownership
54.21 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
54.22 applicable, maximum number of securities being offered is sold, or the valuation of the
54.23 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
54.24 interest of the securities being offered; any restrictions on transfer of the securities being
54.25 offered; and a disclosure that any future issuance of securities might dilute the value of
54.26 securities being offered;

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

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

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

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

55.5 (12) the following legend must be displayed conspicuously in the disclosure
55.6 document:

55.7 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
55.8 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
55.9 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
55.10 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
55.11 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
55.12 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
55.13 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
55.14 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
55.15 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
55.16 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
55.17 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
55.18 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
55.19 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
55.20 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
55.21 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD
55.22 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
55.23 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

55.24 Subd. 5. **Required certification from MNvest offering purchasers.** Before
55.25 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
55.26 shall require the portal operator to obtain from the prospective purchaser through the
55.27 applicable MNvest portal a written or electronic certification that includes, at a minimum,
55.28 the following statements:

55.29 "I UNDERSTAND AND ACKNOWLEDGE THAT:

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

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

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

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

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

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

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

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

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

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

56.19 (A) I am a Minnesota resident;

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

56.24 (C) the securities and investment opportunities listed on this Web site have not
56.25 been reviewed or approved by any state or federal securities commission or division or
56.26 other regulatory authority, and no such person or authority, including this Web site, has
56.27 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
56.28 investors relating to any offering; and

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

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

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

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

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

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

57.6 (b) A portal operator's registration expires 12 months from the date the administrator
57.7 has approved the entity as a portal operator, and subsequent registration for the succeeding
57.8 12-month period shall be issued upon written application and upon payment of a renewal
57.9 fee of \$200, without filing of further statements or furnishing any further information,
57.10 unless specifically requested by the administrator. This section is not applicable to a
57.11 registered broker-dealer functioning as a portal operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

58.12 (3) the records required to be kept and preserved under this subdivision must be
58.13 maintained in a manner, including by any electronic storage media, that will permit the
58.14 immediate location of any particular document so long as such records are available for
58.15 immediate and complete access by representatives of the administrator. Any electronic
58.16 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
58.17 format; verify automatically the quality and accuracy of the storage media recording
58.18 process; serialize the original and, if applicable, duplicate units storage media, and
58.19 time-date for the required period of retention the information placed on such electronic
58.20 storage media; and be able to download indexes and records preserved on electronic
58.21 storage media to an acceptable medium. In the event that a records retention system
58.22 commingles records required to be kept under this subdivision with records not required to
58.23 be kept, representatives of the administrator may review all commingled records; and

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

58.26 Subd. 8. **Portal operator; privacy of purchaser information.** (a) For purposes of
58.27 this subdivision, "personal information" means information provided to a portal operator
58.28 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
58.29 prospective purchaser or purchaser.

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

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

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

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

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

59.5 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
 59.6 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
 59.7 issuer; any affiliated issuer; any director, executive officer, other officer participating in
 59.8 the MNvest offering, general partner, or managing member of the MNvest issuer; any
 59.9 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
 59.10 securities, calculated on the basis of voting power; any promoter connected with the
 59.11 MNvest issuer in any capacity at the time of the sale; any investment manager of an
 59.12 issuer that is a pooled investment fund; any general partner or managing member of any
 59.13 investment manager; or any director, executive officer, or other officer participating in
 59.14 the offering of any investment manager or general partner or managing member of the
 59.15 investment manager:

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

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

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

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

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

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

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

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

59.31 (3) is subject to a final order of a state securities commission or an agency or officer
 59.32 of a state performing like functions; a state authority that supervises or examines banks,
 59.33 savings associations, or credit unions; a state insurance commission or an agency or
 59.34 officer of a state performing like functions; an appropriate federal banking agency; the
 59.35 United States Commodity Futures Trading Commission; or the National Credit Union
 59.36 Administration that:

60.1 (i) at the time of the offering, bars the person from:
60.2 (A) association with an entity regulated by the commission, authority, agency, or
60.3 officer;
60.4 (B) engaging in the business of securities, insurance, or banking; or
60.5 (C) engaging in savings association or credit union activities; or
60.6 (ii) constitutes a final order based on a violation of any law or regulation that prohibits
60.7 fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;
60.8 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
60.9 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
60.10 15, section 78o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
60.11 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:
60.12 (i) suspends or revokes the person's registration as a broker, dealer, municipal
60.13 securities dealer, or investment adviser;
60.14 (ii) places limitations on the activities, functions, or operations of the person; or
60.15 (iii) bars the person from being associated with any entity or from participating in
60.16 the offering of any penny stock;
60.17 (5) is subject to any order of the Securities and Exchange Commission or a state
60.18 administrator entered within five years before the sale that, at the time of the sale, orders
60.19 the person to cease and desist from committing or causing a violation or future violation of:
60.20 (i) any scienter-based antifraud provision of the federal securities laws, including
60.21 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
60.22 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
60.23 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
60.24 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
60.25 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
60.26 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or
60.27 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;
60.28 (6) is suspended or expelled from membership in, or suspended or barred from
60.29 association with a member of, a registered national securities exchange or a registered
60.30 national or affiliated securities association for any act or omission to act constituting
60.31 conduct inconsistent with just and equitable principles of trade;
60.32 (7) has filed as a registrant or issuer, or was or was named as an underwriter in, any
60.33 registrations statement or Regulation A offering statement filed with the Securities and
60.34 Exchange Commission or a state administrator that, within five years before the sale, was
60.35 the subject of a refusal order, stop order, or order suspending the Regulation A exemption,

61.1 or is, at the time of the sale, the subject of an investigation or proceeding to determine
61.2 whether a stop order or suspension order should be issued; or

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

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

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

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

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

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

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

61.24 (1) in control of the issuer; or

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

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

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

61.30 **80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

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

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

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

62.5 (2) a part of a record filed in connection with a registration statement under sections
62.6 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains
62.7 trade secrets or confidential information if the person filing the registration statement or
62.8 report has asserted a claim of confidentiality or privilege that is authorized by law;

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

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

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

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

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

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

62.20 (7) a record furnished to the administrator by a portal operator under section
62.21 80A.461, subdivision 7, paragraph (e).

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

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

62.28 Sec. 14. Minnesota Statutes 2014, section 168.013, subdivision 1d, is amended to read:

62.29 Subd. 1d. **Trailer.** (a) On trailers registered at a gross vehicle weight of greater than
62.30 ~~3,000~~ 7,200 pounds, the annual tax is based on total gross weight and is 30 percent of the
62.31 Minnesota base rate prescribed in subdivision 1e, when the gross weight is 15,000 pounds
62.32 or less, and when the gross weight of a trailer is more than 15,000 pounds, the tax for the
62.33 first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate
62.34 schedule, and during the ninth and succeeding years of vehicle life the tax is 75 percent
62.35 of the Minnesota base rate prescribed by subdivision 1e.

63.1 (b) Farm trailers with a gross weight in excess of 10,000 pounds and as described in
63.2 section 168.002, subdivision 8, are taxed as farm trucks as prescribed in subdivision 1c.

63.3 (c) ~~Effective on and after July 1, 2001,~~ Trailers registered at a gross vehicle weight
63.4 of ~~3,000~~ 7,200 pounds or less must display a distinctive plate. The registration on the
63.5 license plate is valid for the life of the trailer only if it remains registered at the same gross
63.6 vehicle weight. The onetime registration tax for trailers registered ~~for the first time in~~
63.7 Minnesota is \$55. ~~For trailers registered in Minnesota before July 1, 2001, and for which:~~

63.8 (1) ~~registration is desired for the remaining life of the trailer, the registration tax~~
63.9 ~~is \$25; or~~

63.10 (2) ~~permanent registration is not desired, the biennial registration tax is \$10 for the~~
63.11 ~~first renewal if registration is renewed between and including July 1, 2001, and June 30,~~
63.12 ~~2003. These trailers must be issued permanent registration at the first renewal on or after~~
63.13 ~~July 1, 2003, and the registration tax is \$20.~~

63.14 For trailers registered at a gross weight of 3,000 pounds or less before July 1, 2001,
63.15 but not renewed until on or after July 1, 2003, the registration tax is \$20 and permanent
63.16 registration must be issued.

63.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
63.18 and applies to taxes payable for registrations and registration renewals due on or after
63.19 January 1, 2016. This section supersedes any amendment to Minnesota Statutes, section
63.20 168.013, subdivision 1d, made during the 2015 regular legislative session in S.F. No.
63.21 1647, regardless of order of enactment.

63.22 Sec. 15. Minnesota Statutes 2014, section 216B.16, subdivision 6, is amended to read:

63.23 Subd. 6. **Factors considered, generally.** The commission, in the exercise of its
63.24 powers under this chapter to determine just and reasonable rates for public utilities, shall
63.25 give due consideration to the public need for adequate, efficient, and reasonable service
63.26 and to the need of the public utility for revenue sufficient to enable it to meet the cost of
63.27 furnishing the service, including adequate provision for depreciation of its utility property
63.28 used and useful in rendering service to the public, and to earn a fair and reasonable return
63.29 upon the investment in such property. In determining the rate base upon which the utility
63.30 is to be allowed to earn a fair rate of return, the commission shall give due consideration to
63.31 evidence of the cost of the property when first devoted to public use, to prudent acquisition
63.32 cost to the public utility less appropriate depreciation on each, to construction work in
63.33 progress, to offsets in the nature of capital provided by sources other than the investors,
63.34 and to other expenses of a capital nature. For purposes of determining rate base, the
63.35 commission shall consider the original cost of utility property included in the base and

64.1 shall make no allowance for its estimated current replacement value. If the commission
64.2 orders a generating facility to terminate its operations before the end of the facility's
64.3 physical life in order to comply with a specific state or federal energy statute or policy,
64.4 the commission may allow the public utility to recover any positive net book value of the
64.5 facility as determined by the commission.

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

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

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

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

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

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

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

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

64.33 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities
64.34 approved by the regulatory commission of the state in which the new transmission

65.1 facilities are to be constructed and determined by the Midcontinent Independent System
65.2 Operator to benefit the utility or integrated transmission system;

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

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

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

65.10 ~~(5)~~ (7) provides a current return on construction work in progress, provided that
65.11 recovery from Minnesota retail customers for the allowance for funds used during
65.12 construction is not sought through any other mechanism;

65.13 ~~(6)~~ (8) allows for recovery of other expenses if shown to promote a least-cost project
65.14 option or is otherwise in the public interest;

65.15 ~~(7)~~ (9) allocates project costs appropriately between wholesale and retail customers;

65.16 ~~(8)~~ (10) provides a mechanism for recovery above cost, if necessary to improve the
65.17 overall economics of the project or projects or is otherwise in the public interest; and

65.18 ~~(9)~~ (11) terminates recovery once costs have been fully recovered or have otherwise
65.19 been reflected in the utility's general rates.

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

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

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

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

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

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

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

65.34 Sec. 17. Minnesota Statutes 2014, section 216B.16, subdivision 19, is amended to read:

66.1 Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the
66.2 commission may approve, approve as modified, or reject, a multiyear rate plan as provided
66.3 in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates the
66.4 utility may charge for each year of the specified period of years, which cannot exceed ~~three~~
66.5 five years, to be covered by the plan. A utility proposing a multiyear rate plan shall provide
66.6 a general description of the utility's major planned investments over the plan period.
66.7 The commission may also require the utility to provide a set of reasonable performance
66.8 measures and incentives that are quantifiable, verifiable, and consistent with state energy
66.9 policies. The commission may allow the utility to adjust recovery of its cost of capital or
66.10 other costs in a reasonable manner within the plan period. The utility may propose:

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

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

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

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

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

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

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

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

67.7 ~~(d)~~ (f) In reviewing a multiyear rate plan proposed in a general rate case under
 67.8 this section, the commission may extend the time requirements for issuance of a final
 67.9 determination prescribed in this section by an additional 90 days beyond its existing
 67.10 authority under subdivision 2, paragraph (f).

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

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

67.15 Sec. 18. **[216B.1638] RECOVERY OF NATURAL GAS EXTENSION PROJECT**
 67.16 **COSTS.**

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

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

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

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

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

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

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

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

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

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

68.11 (b) The petition shall include:

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

68.15 (2) the project's construction schedule;

68.16 (3) the proposed project budget;

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

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

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

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

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

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

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

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

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

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

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

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

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

69.7 Subd. 5. **Implementation.** Nothing in this section commits a public utility to
 69.8 implement a project approved by the commission. The public utility seeking to provide
 69.9 natural gas service shall notify the commission whether it intends to proceed with the
 69.10 project as approved by the commission.

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

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

69.16 (2) the total cost of each project;

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

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

69.21 Sec. 19. Minnesota Statutes 2014, section 216B.164, subdivision 3, is amended to read:

69.22 Subd. 3. **Purchases; small facilities.** (a) This paragraph applies to cooperative
 69.23 electric associations and municipal utilities. For a qualifying facility having less than
 69.24 40-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility
 69.25 according to the applicable rate schedule for sales to that class of customer. A cooperative
 69.26 electric association or municipal utility may charge an additional fee to recover the
 69.27 fixed costs not already paid for by the customer through the customer's existing billing
 69.28 arrangement. Any additional charge by the utility must be reasonable and appropriate
 69.29 for that class of customer based on the most recent cost of service study. The cost of
 69.30 service study must be made available for review by a customer of the utility upon request.

69.31 In the case of net input into the utility system by a qualifying facility having less than
 69.32 40-kilowatt capacity, compensation to the customer shall be at a per kilowatt-hour rate
 69.33 determined under paragraph (c) or (d), or (f).

69.34 (b) This paragraph applies to public utilities. For a qualifying facility having less
 69.35 than 1,000-kilowatt capacity, the customer shall be billed for the net energy supplied by

70.1 the utility according to the applicable rate schedule for sales to that class of customer. In
 70.2 the case of net input into the utility system by a qualifying facility having: (1) more than
 70.3 40-kilowatt but less than 1,000-kilowatt capacity, compensation to the customer shall be
 70.4 at a per kilowatt-hour rate determined under paragraph (c); or (2) less than 40-kilowatt
 70.5 capacity, compensation to the customer shall be at a per-kilowatt rate determined under
 70.6 paragraph (c) or (d).

70.7 (c) In setting rates, the commission shall consider the fixed distribution costs to the
 70.8 utility not otherwise accounted for in the basic monthly charge and shall ensure that the
 70.9 costs charged to the qualifying facility are not discriminatory in relation to the costs
 70.10 charged to other customers of the utility. The commission shall set the rates for net
 70.11 input into the utility system based on avoided costs as defined in the Code of Federal
 70.12 Regulations, title 18, section 292.101, paragraph (b)(6), the factors listed in Code of
 70.13 Federal Regulations, title 18, section 292.304, and all other relevant factors.

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

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

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

70.31 Sec. 20. Minnesota Statutes 2014, section 216B.2425, is amended to read:

70.32 **216B.2425 STATE TRANSMISSION AND DISTRIBUTION PLAN.**

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

71.1 Subd. 2. **List development; transmission projects report.** (a) By November
71.2 1 of each odd-numbered year, a transmission projects report must be submitted to the
71.3 commission by each utility, organization, or company that:

71.4 (1) is a public utility, a municipal utility, a cooperative electric association, the
71.5 generation and transmission organization that serves each utility or association, or a
71.6 transmission company; and

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

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

71.11 (c) The report must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

72.16 Subd. 7. **Transmission needed to support renewable resources.** (a) Each entity
72.17 subject to this section shall determine necessary transmission upgrades to support
72.18 development of renewable energy resources required to meet objectives under section
72.19 216B.1691 and shall include those upgrades in its report under subdivision 2.

72.20 (b) MS 2008 [Expired]

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

72.27 Sec. 21. **TASK FORCE ON NO-FAULT AUTO INSURANCE ISSUES.**

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

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

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

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

- 73.1 (3) two members of the senate, one appointed by the Subcommittee on Committees
73.2 of the Committee on Rules and Administration and one appointed by the minority leader;
- 73.3 (4) a person appointed by the Minnesota Chiropractic Association;
73.4 (5) a person appointed by the Insurance Federation of Minnesota;
73.5 (6) a person appointed by the Insurance Federation of Minnesota who is not a
73.6 member of the Federation;
- 73.7 (7) a person appointed by the Minnesota Association for Justice;
73.8 (8) a person appointed by the Minnesota Medical Association;
73.9 (9) a person appointed by the Minnesota Glass Association;
73.10 (10) a person appointed by the Minnesota Hospital Association;
73.11 (11) a person appointed by the Minnesota Ambulance Association;
73.12 (12) a person appointed by the Minnesota Physical Therapy Association;
73.13 (13) a person appointed by the Academy of Emergency Physicians-Minnesota
73.14 Chapter;
- 73.15 (14) a person appointed by the Medical Group Management Association of
73.16 Minnesota;
- 73.17 (15) a representative of a medical consulting company specializing in the delivery of
73.18 independent medical examinations, appointed by the commissioner;
- 73.19 (16) a person appointed by the Minnesota Defense Lawyers Association; and
73.20 (17) a person appointed by the Minnesota Ambulatory Surgery Center Association.
- 73.21 (b) Compensation and expense reimbursement must be as provided under Minnesota
73.22 Statutes, section 15.059, subdivision 3, to members of the task force.
- 73.23 (c) The commissioner of commerce shall convene the task force by August 1, 2015,
73.24 and shall appoint a chair from the membership of the task force. Staffing and technical
73.25 assistance must be provided by the Department of Commerce.
- 73.26 Subd. 3. **Duties.** The task force shall review and evaluate the following issues
73.27 related to no-fault automobile insurance reform:
- 73.28 (1) no-fault arbitration process;
73.29 (2) independent medical exam process;
73.30 (3) treatment standards and fee schedules; and
73.31 (4) no-fault health provider oversight.
- 73.32 Subd. 4. **Report.** By February 1, 2016, the task force must submit to the
73.33 chairs and ranking minority members of the house of representatives and senate
73.34 committees and divisions with primary jurisdiction over commerce and transportation its
73.35 written recommendations, including any draft legislation necessary to implement the
73.36 recommendations.

74.1 Subd. 5. **Expiration.** The task force expires the day after submitting the report
74.2 under subdivision 4, or February 2, 2016, whichever is earlier.

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

74.4 Sec. 22. **COMPETITIVE RATE FOR ENERGY-INTENSIVE,**
74.5 **TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**

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

74.8 (b) "Clean energy technology" is energy technology that generates electricity from a
74.9 carbon neutral generating resource including, but not limited to, solar, wind, hydroelectric,
74.10 and biomass.

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

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

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

74.16 (3) a steel mill and related facilities;

74.17 (4) a retail customer of an investor-owned electric utility that has facilities under a
74.18 single electric service agreement that (i) collectively imposes a peak electrical demand of
74.19 at least 10,000 kilowatts on the electric utility's system, and (ii) has a combined annual
74.20 average load factor in excess of 80 percent; and

74.21 (5) any other retail customer of an investor-owned electric utility that is subject to
74.22 globally competitive pressures and whose electric energy costs are at least ten percent of
74.23 the customer's overall cost of production.

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

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

74.29 Subd. 2. **Rates and terms of EITE rate schedule.** (a) It is the energy policy of the
74.30 state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed
74.31 customers. To achieve this objective, an investor-owned electric utility that has at least
74.32 50,000 retail electric customers, but no more than 200,000 retail electric customers, shall
74.33 have the ability to propose various EITE rate options within their service territory under
74.34 an EITE rate schedule that include, but are not limited to, fixed-rates, market-based rates,
74.35 and rates to encourage utilization of new clean energy technology.

75.1 (b) Notwithstanding Minnesota Statutes, section 216B.03, 216B.05, 216B.06,
 75.2 216B.07, or 216B.16, the commission shall, upon a finding of net benefit to the utility or
 75.3 the state, approve an EITE rate schedule and any corresponding EITE rate.

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

75.6 (d) Upon approval of any EITE rate schedule, the utility shall create a separate
 75.7 account to track the difference in revenue between what would have been collected under
 75.8 the electric utility's applicable standard tariff and the EITE rate schedule. In its next
 75.9 general rate case or through an EITE cost recovery rate rider between general rate cases,
 75.10 the commission shall allow the utility to recover any costs, including reduced revenues, or
 75.11 refund any savings, including increased revenues, associated with providing service to a
 75.12 customer under an EITE rate schedule. The utility shall not recover any costs or refund
 75.13 any savings under this section from any energy-intensive trade-exposed customer or any
 75.14 low-income residential ratepayers as defined in Minnesota Statutes, section 216B.16,
 75.15 subdivision 15.

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

75.21 **ARTICLE 4**

75.22 **HOUSING**

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

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

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

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

76.7 (3) No manufactured home shall be located closer than three feet to the side lot lines
76.8 of a manufactured home park, if the abutting property is improved property, or closer than
76.9 ten feet to a public street or alley. Each individual site shall abut or face on a driveway
76.10 or clear unoccupied space of not less than 16 feet in width, which space shall have
76.11 unobstructed access to a public highway or alley. There shall be ~~an open~~ a space of at least
76.12 ten feet between the sides of adjacent manufactured homes including their attachments
76.13 and at least three feet between manufactured homes when parked end to end. The space
76.14 between manufactured homes may be used for the parking of motor vehicles and other
76.15 property, ~~if the vehicle or other property is parked at least ten feet from the nearest~~
76.16 ~~adjacent manufactured home position~~. The requirements of this paragraph shall not apply
76.17 to recreational camping areas and variances may be granted by the state commissioner
76.18 of health in manufactured home parks when the variance is applied for in writing and in
76.19 the opinion of the commissioner the variance will not endanger the health, safety, and
76.20 welfare of manufactured home park occupants.

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

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

76.26 (6) In the case of a manufactured home park with less than ten manufactured homes,
76.27 a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of
76.28 the park in times of severe weather conditions, such as tornadoes, high winds, and floods.
76.29 The shelter or evacuation plan shall be developed with the assistance and approval of
76.30 the municipality where the park is located and shall be posted at conspicuous locations
76.31 throughout the park. The park owner shall provide each resident with a copy of the
76.32 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.
76.33 Nothing in this paragraph requires the Department of Health to review or approve any
76.34 shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan
76.35 submitted by a park shall not be grounds for action against the park by the Department of

77.1 Health if the park has made a good faith effort to develop the plan and obtain municipal
77.2 approval.

77.3 (7) A manufactured home park with ten or more manufactured homes, licensed prior
77.4 to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the
77.5 evacuation of park residents to a safe place of shelter within a reasonable distance of the
77.6 park for use by park residents in times of severe weather, including tornadoes and high
77.7 winds. The shelter or evacuation plan must be approved by the municipality by March 1,
77.8 1989. The municipality may require the park owner to construct a shelter if it determines
77.9 that a safe place of shelter is not available within a reasonable distance from the park. A
77.10 copy of the municipal approval and the plan shall be submitted by the park owner to the
77.11 Department of Health. The park owner shall provide each resident with a copy of the
77.12 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.

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

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

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

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

77.23 Section 1. **OLMSTED COUNTY HOUSING AND REDEVELOPMENT**
77.24 **AUTHORITY; MEMBERS.**

77.25 **Subdivision 1. City and county appointees as housing and redevelopment**
77.26 **authority.** Notwithstanding Minnesota Statutes, section 469.006, the Olmsted County
77.27 Housing and Redevelopment Authority has seven members, four appointed by the city
77.28 council of the city of Rochester and three appointed by the county board of Olmsted
77.29 county. Of the first four appointees of the city council under this act, one must be
77.30 appointed for a one-year term, two for two-year terms, and one for a three-year term. Of
77.31 the first three appointees of the county board under this act, one must be appointed for a
77.32 one-year term, one for a two-year term, and one for a three-year term. Later appointments
77.33 to fill terms are for five years. An appointment to a vacancy is for the unexpired term.

77.34 **Subd. 2. County board may serve as housing and redevelopment authority.**
77.35 **Notwithstanding subdivision 1, the county board may, by resolution, provide that the**

78.1 Olmsted County Board will constitute the county housing and redevelopment authority
 78.2 and that the appointment procedures in subdivision 1 shall not apply. If the Olmsted
 78.3 County Board acts under this subdivision, it must also provide in the resolution for any
 78.4 additional members needed to comply with Code of Federal Regulations, title 24, part 964.

78.5 **EFFECTIVE DATE; TRANSITION.** This section is effective the day after the
 78.6 latter of the city council of the city of Rochester and the Olmsted County Board of
 78.7 Commissioners and their respective chief clerical officers timely complete their compliance
 78.8 with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Terms of members of the
 78.9 Olmsted County Housing and Redevelopment Authority serving on or after the effective
 78.10 date of this section terminate as provided in the resolution adopted by the county board.

78.11 **ARTICLE 5**

78.12 **LABOR AND INDUSTRY**

78.13 Section 1. Minnesota Statutes 2014, section 326B.092, subdivision 7, is amended to
 78.14 read:

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

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

78.20 (1) if the initial license is not issued for a whole number of years, the license duration
 78.21 shall be rounded up to the next whole number; and

78.22 (2) if the department receives an application for license renewal after the renewal
 78.23 deadline, license duration means the number of years for which the renewed license would
 78.24 have been issued if the renewal application had been submitted on time and all other
 78.25 requirements for renewal had been met.

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

78.29	License Classification	License Duration		
78.30		1 Year	2 Years	3 Years
78.31	Entry level	\$10	\$20	\$30
78.32	<u>Journeyman</u>			
78.33	<u>Journeyworker</u>	\$20	\$40	\$60
78.34	Master	\$40	\$80	\$120
78.35	Business	\$90	\$180	\$270

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

79.6 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
 79.7 326B.93, then a board fee must be included in the license fee and the renewal license fee.
 79.8 The board fee for all license classifications shall be: \$4 if the license duration is one year;
 79.9 \$8 if the license duration is two years; ~~and \$12 if the license duration is three years.~~

79.10 (f) If the application is for the renewal of a license issued under sections 326B.802
 79.11 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
 79.12 subdivision 3, and any additional assessment required under section 326B.89, subdivision
 79.13 16, must be included in the license renewal fee.

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

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

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

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

79.26 **326B.096 REINSTATEMENT OF LICENSES.**

79.27 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
 79.28 this chapter and if an applicant for a license needs to pass an examination administered by
 79.29 the commissioner before becoming licensed, then, in order to have the license reinstated,
 79.30 the person who holds the revoked license must:

79.31 (1) retake the examination and achieve a passing score; and

79.32 (2) meet all other requirements for an initial license, including payment of the
 79.33 application and examination fee and the license fee. The person holding the revoked
 79.34 license is not eligible for Minnesota licensure without examination based on reciprocity.

79.35 (b) If a license is revoked under a chapter other than this chapter, then, in order to
 79.36 have the license reinstated, the person who holds the revoked license must:

80.1 (1) apply for reinstatement to the commissioner no later than two years after the
80.2 effective date of the revocation;

80.3 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
80.4 fee; and

80.5 (3) meet all applicable requirements for licensure, except that, unless required by the
80.6 order revoking the license, the applicant does not need to retake any examination and does
80.7 not need to repay a license fee that was paid before the revocation.

80.8 Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order
80.9 to have the license reinstated, the person who holds the suspended license must:

80.10 (1) apply for reinstatement to the commissioner no later than two years after the
80.11 completion of the suspension period;

80.12 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
80.13 fee; and

80.14 (3) meet all applicable requirements for licensure, except that, unless required by the
80.15 order suspending the license, the applicant does not need to retake any examination and
80.16 does not need to repay a license fee that was paid before the suspension.

80.17 Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an
80.18 individual may voluntarily terminate a license issued to the person under this chapter. If a
80.19 licensee has voluntarily terminated a license under this subdivision, then, in order to have
80.20 the license reinstated, the person who holds the terminated license must:

80.21 (1) apply for reinstatement to the commissioner no later than the date that the license
80.22 would have expired if it had not been terminated;

80.23 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
80.24 fee; and

80.25 (3) meet all applicable requirements for licensure, except that the applicant does not
80.26 need to repay a license fee that was paid before the termination.

80.27 **EFFECTIVE DATE.** The amendments to this section are effective July 1, 2015,
80.28 and expire July 1, 2017.

80.29 Sec. 3. Minnesota Statutes 2014, section 326B.106, subdivision 1, is amended to read:

80.30 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and
80.31 sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation
80.32 with the Construction Codes Advisory Council establish a code of standards for the
80.33 construction, reconstruction, alteration, and repair of buildings, governing matters of
80.34 structural materials, design and construction, fire protection, health, sanitation, and safety,
80.35 including design and construction standards regarding heat loss control, illumination,

81.1 and climate control. The code must also include duties and responsibilities for code
81.2 administration, including procedures for administrative action, penalties, and suspension
81.3 and revocation of certification. The code must conform insofar as practicable to model
81.4 building codes generally accepted and in use throughout the United States, including a
81.5 code for building conservation. In the preparation of the code, consideration must be
81.6 given to the existing statewide specialty codes presently in use in the state. Model codes
81.7 with necessary modifications and statewide specialty codes may be adopted by reference.
81.8 The code must be based on the application of scientific principles, approved tests, and
81.9 professional judgment. To the extent possible, the code must be adopted in terms of
81.10 desired results instead of the means of achieving those results, avoiding wherever possible
81.11 the incorporation of specifications of particular methods or materials. To that end the code
81.12 must encourage the use of new methods and new materials. Except as otherwise provided
81.13 in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the
81.14 provisions of those sections.

81.15 (b) The commissioner shall develop rules addressing the plan review fee assessed
81.16 to similar buildings without significant modifications including provisions for use of
81.17 building systems as specified in the industrial/modular program specified in section
81.18 326B.194. Additional plan review fees associated with similar plans must be based on
81.19 costs commensurate with the direct and indirect costs of the service.

81.20 (c) Beginning with the 2018 edition of the model building codes and every six
81.21 years thereafter, the commissioner shall review the new model building codes and adopt
81.22 the model codes as amended for use in Minnesota, within two years of the published
81.23 edition date. The commissioner may adopt amendments to the building codes prior to the
81.24 adoption of the new building codes to advance construction methods, technology, or
81.25 materials, or, where necessary to protect the health, safety, and welfare of the public, or to
81.26 improve the efficiency or the use of a building.

81.27 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
81.28 residential energy code and the new model commercial energy code in accordance with
81.29 federal law for which the United States Department of Energy has issued an affirmative
81.30 determination in compliance with United States Code, title 42, section 6833. The
81.31 commissioner may adopt amendments prior to adoption of the new energy codes, as
81.32 amended for use in Minnesota, to advance construction methods, technology, or materials,
81.33 or, where necessary to protect the health, safety, and welfare of the public, or to improve
81.34 the efficiency or use of a building.

81.35 **EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to all
81.36 model code adoptions beginning with the 2018 model building code.

82.1 Sec. 4. Minnesota Statutes 2014, section 326B.13, subdivision 8, is amended to read:

82.2 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is
82.3 effective ~~180~~ 270 days after publication of the rule's notice of adoption in the State Register.
82.4 The rule may provide for a later effective date. The rule may provide for an earlier effective
82.5 date if the commissioner ~~or board~~ proposing the rule finds that an earlier effective date is
82.6 necessary to protect public health and safety after considering, among other things, the need
82.7 for time for training of individuals to comply with and enforce the rule. The commissioner
82.8 must publish an electronic version of the entire adopted rule chapter on the department's
82.9 Web site within ten days of receipt from the revisor of statutes. The commissioner shall
82.10 clearly indicate the effective date of the rule on the department's Web site.

82.11 Sec. 5. Minnesota Statutes 2014, section 326B.986, subdivision 5, is amended to read:

82.12 Subd. 5. **Boiler engineer license fees.** (a) For purposes of calculating license fees
82.13 and renewal license fees required under section 326B.092:

82.14 (1) the boiler special engineer license is an entry level license;

82.15 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
82.16 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
82.17 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
82.18 license; and

82.19 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
82.20 chief engineer, Grade B; boiler chief engineer, Grade C; boiler ~~commissioner~~ inspector
82.21 certificate of competency; and traction or hobby boiler engineer.

82.22 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
82.23 duration for steam traction and hobby engineer licenses are one year only for the purpose
82.24 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

82.25 Sec. 6. Minnesota Statutes 2014, section 326B.986, subdivision 8, is amended to read:

82.26 Subd. 8. **Certificate of competency.** ~~The fee for issuance of the original certificate~~
82.27 ~~of competency is \$85 for inspectors who did not pay the national board examination fee~~
82.28 ~~specified in subdivision 6, or \$35 for inspectors who paid that examination fee.~~ (a) Each
82.29 applicant for a certificate of competency must complete an interview with the chief boiler
82.30 inspector before issuance of the certificate of competency.

82.31 (b) All initial certificates of competency shall be effective for more than one calendar
82.32 year and shall expire on December 31 of the year after the year in which the application
82.33 is made. ~~The commissioner shall in a manner determined by the commissioner, without~~

83.1 ~~the need for any rulemaking under chapter 14, phase in the renewal of certificates of~~
 83.2 ~~competency from one calendar year to two calendar years. By June 30, 2011,~~

83.3 (c) All renewed certificates of competency shall be valid for two calendar years. The
 83.4 fee for renewal of the state of Minnesota certificate of competency is \$35 for one year or
 83.5 \$70 for two years, and is due the day after the certificate expires.

83.6 **EFFECTIVE DATE.** The amendments to paragraphs (a) and (c) are effective July
 83.7 1, 2015, and expire July 1, 2017.

83.8 Sec. 7. Minnesota Statutes 2014, section 341.321, is amended to read:

83.9 **341.321 FEE SCHEDULE.**

83.10 (a) The fee schedule for professional and amateur licenses issued by the
 83.11 commissioner is as follows:

- 83.12 (1) referees, \$80 for each initial license and each renewal;
 83.13 (2) promoters, \$700 for each initial license and each renewal;
 83.14 (3) judges and knockdown judges, \$80 for each initial license and each renewal;
 83.15 (4) trainers and seconds, \$80 for each initial license and each renewal;
 83.16 (5) ring announcers, \$80 for each initial license and each renewal;
 83.17 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 83.18 ~~(7) (6) timekeepers, \$80 for each initial license and each renewal;~~
 83.19 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal \$70;~~
 83.20 (8) amateur combatants, \$50;
 83.21 (9) managers, \$80 for each initial license and each renewal; and
 83.22 (10) ringside physicians, \$80 for each initial license and each renewal.

83.23 In addition to the license fee and the late filing penalty fee in section 341.32, subdivision
 83.24 2, if applicable, an individual who applies for a professional license on the same day
 83.25 within the 48 hours preceding when the combative sporting event is held shall pay a late
 83.26 fee of \$100 plus the original license fee of \$120 at the time the application is submitted.

83.27 (b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- 83.28 ~~(1) referees, \$80 for each initial license and each renewal;~~
 83.29 ~~(2) promoters, \$700 for each initial license and each renewal;~~
 83.30 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal;~~
 83.31 ~~(4) trainers, \$80 for each initial license and each renewal;~~
 83.32 ~~(5) ring announcers, \$80 for each initial license and each renewal;~~
 83.33 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 83.34 ~~(7) timekeepers, \$80 for each initial license and each renewal;~~

- 84.1 ~~(8) combatant, \$60 for each initial license and each renewal;~~
 84.2 ~~(9) managers, \$80 for each initial license and each renewal; and~~
 84.3 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

84.4 ~~(e) (b)~~ The commissioner shall establish a contest fee for each combative sport
 84.5 contest and shall consider the size and type of venue when establishing a contest fee. The
 84.6 professional combative sport contest fee is \$1,500 per event or not more than four percent
 84.7 of the gross ticket sales, whichever is greater, as determined by the commissioner when
 84.8 the combative sport contest is scheduled. The amateur combative sport contest fee shall
 84.9 be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.
 84.10 ~~The commissioner shall consider the size and type of venue when establishing a contest~~
 84.11 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~
 84.12 ~~allowed for each event by rule.~~

84.13 ~~(c)~~ A professional or amateur combative sport contest fee is nonrefundable. and
 84.14 shall be paid as follows:

- 84.15 (1) \$500 at the time the combative sport contest is scheduled; and
 84.16 (2) \$1,000 at the weigh-in prior to the contest.

84.17 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
 84.18 commissioner within 24 hours of the completed contest.

84.19 (d) The commissioner may establish the maximum number of complimentary tickets
 84.20 allowed for each event by rule.

84.21 ~~(d)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
 84.22 commissioner account in the special revenue fund.

84.23 ARTICLE 6

84.24 UNEMPLOYMENT INSURANCE

84.25 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 6, is amended to read:

84.26 Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks
 84.27 beginning the date a benefit account is effective. For a benefit account established
 84.28 effective any January 1, April 1, July 1, or October 1, ~~or January 2, 2000, or October 2,~~
 84.29 ~~2011~~, the benefit year will be a period of 53 calendar weeks.

84.30 **EFFECTIVE DATE.** This section is effective August 2, 2015.

84.31 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 21b, is amended to read:

84.32 Subd. 21b. **Preponderance of the evidence.** "Preponderance of the evidence"
 84.33 means evidence in substantiation support of a fact that, ~~when weighed against the evidence~~

85.1 ~~opposing the fact~~, is more convincing and has a greater probability of truth than the
85.2 evidence opposing the fact.

85.3 **EFFECTIVE DATE.** This section is effective August 2, 2015.

85.4 Sec. 3. Minnesota Statutes 2014, section 268.035, subdivision 26, is amended to read:

85.5 Subd. 26. **Unemployed.** An applicant is considered "unemployed" ~~(1)~~ in any week
85.6 that:

85.7 (1) the applicant performs less than 32 hours of service in employment, covered
85.8 employment, noncovered employment, self-employment, or volunteer work; and

85.9 (2) any earnings with respect to that week are less than the applicant's weekly
85.10 unemployment benefit amount.

85.11 **EFFECTIVE DATE.** This section is effective August 2, 2015.

85.12 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 30, is amended to read:

85.13 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

85.14 (1) that have been actually paid; or

85.15 (2) that have been credited to or set apart so that payment and disposition is under
85.16 the control of the employee.

85.17 (b) Wage payments delayed beyond the regularly scheduled pay date are considered
85.18 "wages paid" on the missed pay date. Back pay is considered "wages paid" on the date
85.19 of actual payment. Any wages earned but not paid with no scheduled date of payment is
85.20 considered "wages paid" on the last day of employment.

85.21 ~~(b)~~ (c) Wages paid does not include wages earned but not paid except as provided
85.22 for in this subdivision.

85.23 **EFFECTIVE DATE.** This section is effective August 2, 2015.

85.24 Sec. 5. Minnesota Statutes 2014, section 268.051, subdivision 7, is amended to read:

85.25 Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned
85.26 a tax rate based upon an experience rating, and has no amounts past due under this
85.27 chapter, may, upon the payment of an amount equivalent to any portion or all of the
85.28 unemployment benefits used in computing the experience rating plus a surcharge of 25
85.29 percent, obtain a cancellation of unemployment benefits used equal to the payment made,
85.30 less the surcharge. The payment is applied to the most recent unemployment benefits paid
85.31 that are used in computing the experience rating. Upon the payment, the commissioner
85.32 must compute a new experience rating for the employer, and compute a new tax rate.

86.1 (b) Payments for a tax rate buydown may be made only by electronic payment
86.2 and must be received within 120 calendar days from the beginning of the calendar year
86.3 for which the tax rate is effective.

86.4 ~~(e) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided~~
86.5 ~~for in paragraph (a) does not apply.~~

86.6 **EFFECTIVE DATE.** This section is effective August 2, 2015.

86.7 Sec. 6. Minnesota Statutes 2014, section 268.07, subdivision 2, is amended to read:

86.8 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to
86.9 establish a benefit account an applicant must have total wage credits in the applicant's four
86.10 quarter base period of at least: ~~(1) \$2,400; or (2) 5.3 percent of the state's average annual~~
86.11 ~~wage rounded down to the next lower \$100, whichever is higher.~~

86.12 (b) To establish a new benefit account ~~within 52 calendar weeks~~ following the
86.13 expiration of the benefit year on a prior benefit account, an applicant must have performed
86.14 ~~services~~ actual work in subsequent covered employment and have been paid wages in one
86.15 or more completed calendar quarters that started after the effective date of the prior benefit
86.16 account. The wages paid for ~~those services~~ that employment must be at least enough to
86.17 meet the requirements of paragraph (a). A benefit account under this paragraph may not
86.18 be established effective earlier than the Sunday following the end of the most recent
86.19 completed calendar quarter in which the requirements of paragraph (a) were met. ~~One~~
86.20 ~~of the reasons for this paragraph is to prevent~~ An applicant from ~~establishing~~ may not
86.21 establish a second benefit account as a result of one loss of employment.

86.22 **EFFECTIVE DATE.** This section is effective August 2, 2015, except the amendment
86.23 striking "within 52 calendar weeks" is effective the day following final enactment.

86.24 Sec. 7. Minnesota Statutes 2014, section 268.07, subdivision 3b, is amended to read:

86.25 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
86.26 unemployment benefits is effective the Sunday of the calendar week that the application
86.27 was filed. An application for unemployment benefits may be backdated one calendar week
86.28 before the Sunday of the week the application was actually filed if the applicant requests
86.29 the backdating at the time the application is filed. An application may be backdated only
86.30 if the applicant was unemployed during the period of the backdating. If an individual
86.31 attempted to file an application for unemployment benefits, but was prevented from filing
86.32 an application by the department, the application is effective the Sunday of the calendar
86.33 week the individual first attempted to file an application.

87.1 (b) A benefit account established under subdivision 2 is effective the date the
87.2 application for unemployment benefits was effective.

87.3 (c) A benefit account, once established, may later be withdrawn only if:

87.4 (1) the applicant has not been paid any unemployment benefits on that benefit
87.5 account; and

87.6 (2) a new application for unemployment benefits is filed and a new benefit account is
87.7 established at the time of the withdrawal.

87.8 A determination or amended determination of eligibility or ineligibility issued under
87.9 section 268.101, that was sent before the withdrawal of the benefit account, remains in
87.10 effect and is not voided by the withdrawal of the benefit account.

87.11 (d) An application for unemployment benefits is not allowed before the Sunday
87.12 following the expiration of the benefit year on a prior benefit account. Except as allowed
87.13 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
87.14 weeks. This paragraph applies to benefit accounts established under any federal law or
87.15 the law of any other state.

87.16 **EFFECTIVE DATE.** This section is effective August 2, 2015.

87.17 Sec. 8. Minnesota Statutes 2014, section 268.085, subdivision 1, is amended to read:

87.18 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
87.19 unemployment benefits for any week if:

87.20 (1) the applicant has filed a continued request for unemployment benefits for that
87.21 week under section 268.0865;

87.22 (2) the week for which unemployment benefits are requested is in the applicant's
87.23 benefit year;

87.24 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

87.25 (4) the applicant was available for suitable employment as defined in subdivision
87.26 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
87.27 day the applicant is unavailable for suitable employment. This clause does not apply to
87.28 an applicant who is in reemployment assistance training, or each day the applicant is on
87.29 jury duty or serving as an election judge;

87.30 (5) the applicant was actively seeking suitable employment as defined in subdivision
87.31 16. This clause does not apply to an applicant who is in reemployment assistance training
87.32 or who was on jury duty throughout the week;

87.33 (6) the applicant has served a nonpayable period of one week that the applicant is
87.34 otherwise entitled to some amount of unemployment benefits. This clause does not apply
87.35 if the applicant would have been entitled to federal disaster unemployment assistance

88.1 because of a disaster in Minnesota, but for the applicant's establishment of a benefit
88.2 account under section 268.07; and

88.3 (7) the applicant has been participating in reemployment assistance services, such as
88.4 job development of, and adherence to, a work search and resume writing classes plan, if
88.5 the applicant has been ~~determined in need of reemployment assistance services~~ directed
88.6 to participate by the commissioner, ~~unless~~. This clause does not apply if the applicant
88.7 has good cause for failing to participate.

88.8 **EFFECTIVE DATE.** This section is effective August 2, 2015.

88.9 Sec. 9. Minnesota Statutes 2014, section 268.085, subdivision 2, is amended to read:

88.10 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
88.11 any week:

88.12 (1) that occurs before the effective date of a benefit account;

88.13 (2) that the applicant, at the beginning of the week, has an outstanding fraud
88.14 overpayment balance under section 268.18, subdivision 2, including any penalties and
88.15 interest;

88.16 (3) that occurs in a period when the applicant is a student in attendance at, or on
88.17 vacation from a secondary school including the period between academic years or terms;

88.18 (4) that the applicant is incarcerated or performing court-ordered community service.
88.19 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
88.20 the applicant is incarcerated or performing court-ordered community service;

88.21 (5) that the applicant fails or refuses to provide information on an issue of
88.22 ineligibility required under section 268.101;

88.23 (6) that the applicant is performing services 32 hours or more, in employment,
88.24 covered employment, noncovered employment, volunteer work, or self-employment
88.25 regardless of the amount of any earnings; or

88.26 (7) with respect to which the applicant ~~is receiving, has received, or has filed an~~
88.27 ~~application for unemployment benefits under any federal law or the law of any other~~
88.28 ~~state. If the appropriate agency finally determines that the applicant is not entitled to the~~
88.29 ~~unemployment benefits~~ establish a benefit account under federal law or the law of any
88.30 other state, this clause does not apply.

88.31 **EFFECTIVE DATE.** This section is effective August 2, 2015.

88.32 Sec. 10. Minnesota Statutes 2014, section 268.095, subdivision 10, is amended to read:

89.1 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
 89.2 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
 89.3 unemployment and until the end of the calendar week that the applicant had total wages
 89.4 paid for actual work performed in subsequent covered employment sufficient to meet
 89.5 one-half of the requirements of section 268.07, subdivision 2, paragraph (a).

89.6 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
 89.7 week that the applicant became separated from employment.

89.8 (c) In addition to paragraph (a), if the applicant was discharged from employment
 89.9 because of aggravated employment misconduct, wage credits from that employment are
 89.10 canceled and cannot be used for purposes of a benefit account under section 268.07,
 89.11 subdivision 2.

89.12 **EFFECTIVE DATE.** This section is effective August 2, 2015.

89.13 Sec. 11. Minnesota Statutes 2014, section 268.105, subdivision 3, is amended to read:

89.14 Subd. 3. **Withdrawal of an appeal.** (a) ~~Any~~ An appeal that is pending before
 89.15 an unemployment law judge may be withdrawn by the appealing ~~person~~ party, or an
 89.16 authorized representative of that ~~person~~ party, ~~upon~~ by filing of a notice of withdrawal. A
 89.17 notice of withdrawal may be filed by mail or by electronic transmission.

89.18 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless
 89.19 an unemployment law judge directs that further ~~adjudication is~~ proceedings are required
 89.20 for a proper result. An order of dismissal issued as a result of a notice of withdrawal is
 89.21 not subject to reconsideration or appeal.

89.22 (c) ~~A notice of withdrawal may be filed by mail or by electronic transmission.~~ A
 89.23 party may file a new appeal after the order of dismissal, but the original 20-calendar-day
 89.24 period for appeal begins from the date of issuance of the determination and that time
 89.25 period is not suspended or restarted by the notice of withdrawal and order of dismissal.
 89.26 The new appeal may only be filed by mail or facsimile transmission.

89.27 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
 89.28 filed under subdivision 2.

89.29 **EFFECTIVE DATE.** This section is effective August 2, 2015.

89.30 Sec. 12. Minnesota Statutes 2014, section 268.105, subdivision 7, is amended to read:

89.31 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ
 89.32 of certiorari to the department, review the unemployment law judge's decision on
 89.33 reconsideration, provided a petition for the writ is filed with the court and a copy is served

90.1 upon the unemployment law judge or the commissioner and any other party within 30
90.2 calendar days of the sending of the unemployment law judge's decision on reconsideration
90.3 under subdivision 2. Three days are added to the 30-calendar-day period if the decision on
90.4 reconsideration was mailed to the parties.

90.5 (b) Any employer petitioning for a writ of certiorari must pay to the court the
90.6 required filing fee in accordance with the Rules of Civil Appellate Procedure. If the
90.7 employer requests a written transcript of the testimony received at the hearing conducted
90.8 under subdivision 1, the employer must pay to the department the cost of preparing the
90.9 transcript. That money is credited to the administration account.

90.10 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a
90.11 result of an applicant's petition, the department must furnish to the applicant at no cost a
90.12 written transcript of any testimony received at the hearing conducted under subdivision 1,
90.13 and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is
90.14 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

90.15 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment
90.16 law judge or remand the case for further proceedings; or it may reverse or modify the
90.17 decision if the substantial rights of the petitioner may have been prejudiced because the
90.18 findings, inferences, conclusion, or decision are:

- 90.19 (1) in violation of constitutional provisions;
90.20 (2) in excess of the statutory authority or jurisdiction of the department;
90.21 (3) made upon unlawful procedure;
90.22 (4) affected by other error of law;
90.23 (5) unsupported by substantial evidence in view of the entire record as submitted; or
90.24 (6) arbitrary or capricious.

90.25 (e) The department is considered the primary responding party to any judicial action
90.26 involving an unemployment law judge's decision. The department may be represented by
90.27 an attorney licensed to practice law in Minnesota who is an employee of the department.

90.28 **EFFECTIVE DATE.** This section is effective August 2, 2015.

90.29 Sec. 13. Minnesota Statutes 2014, section 268.136, subdivision 1, is amended to read:

90.30 Subdivision 1. **Shared work plan requirements.** An employer may submit a
90.31 proposed shared work plan for an employee group to the commissioner for approval in a
90.32 manner and format set by the commissioner. The proposed shared work plan must include:

- 90.33 (1) a certified statement that the normal weekly hours of work of all of the proposed
90.34 participating employees were full time or regular part time but are now reduced, or will be
90.35 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

- 91.1 (2) the name and Social Security number of each participating employee;
- 91.2 (3) the number of layoffs that would have occurred absent the employer's ability to
91.3 participate in a shared work plan;
- 91.4 (4) a certified statement that each participating employee was first hired by the
91.5 employer at least one year before the proposed shared work plan is submitted and is not a
91.6 seasonal, temporary, or intermittent worker;
- 91.7 (5) the hours of work each participating employee will work each week for the
91.8 duration of the shared work plan, which must be at least 50 percent of the normal weekly
91.9 hours but no more than ~~90~~ 80 percent of the normal weekly hours, except that the plan
91.10 may provide for a uniform vacation shutdown of up to two weeks;
- 91.11 (6) a certified statement that any health benefits and pension benefits provided by
91.12 the employer to participating employees will continue to be provided under the same
91.13 terms and conditions as though the participating employees' hours of work each week had
91.14 not been reduced;
- 91.15 (7) a certified statement that the terms and implementation of the shared work plan is
91.16 consistent with the employer's obligations under state and federal law;
- 91.17 (8) an acknowledgement that the employer understands that unemployment benefits
91.18 paid under a shared work plan will be used in computing the future tax rate of a taxpaying
91.19 employer or charged to the reimbursable account of a nonprofit or government employer;
- 91.20 (9) the proposed duration of the shared work plan, which must be at least two months
91.21 and not more than one year, although a plan may be extended for up to an additional
91.22 year upon approval of the commissioner;
- 91.23 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
91.24 proposed shared work plan is submitted; and
- 91.25 (11) a signature of an owner or officer of the employer who is listed as an owner or
91.26 officer on the employer's account under section 268.045.

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

91.28 Sec. 14. Minnesota Statutes 2014, section 268.188, is amended to read:

91.29 **268.188 SUBPOENAS; OATHS.**

91.30 (a) The commissioner or an unemployment law judge has authority to administer
91.31 oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to
91.32 compel the attendance of individuals and the production of documents and other personal
91.33 property necessary in connection with the administration of the Minnesota unemployment
91.34 insurance program.

92.1 (b) Individuals subpoenaed, other than applicants or officers and employees of an
 92.2 employer that is the subject of the inquiry, are paid witness fees the same as witness fees
 92.3 in civil actions in district court. The fees need not be paid in advance.

92.4 (c) The subpoena is enforceable through the district court in Ramsey County.

92.5 **EFFECTIVE DATE.** This section is effective August 2, 2015.

92.6 Sec. 15. Minnesota Statutes 2014, section 268.194, subdivision 1, is amended to read:

92.7 Subdivision 1. **Establishment.** There is established as a special state trust fund,
 92.8 separate and apart from all other public money or funds of this state, an unemployment
 92.9 insurance trust fund, that is administered by the commissioner exclusively for the payment
 92.10 of unemployment benefits. This trust fund consists of:

92.11 (1) all taxes collected;

92.12 (2) interest earned upon any money in the trust fund;

92.13 (3) reimbursements paid by nonprofit organizations and the state and political
 92.14 subdivisions;

92.15 (4) tax rate buydown payments under section 268.051, subdivision 7;

92.16 (5) any money received as a loan from the federal unemployment trust fund in
 92.17 accordance with United States Code, title 42, section 1321, of the Social Security Act;

92.18 (6) any other money received under a reciprocal unemployment benefit arrangement
 92.19 with the federal government or any other state;

92.20 (7) money recovered on overpaid unemployment benefits ~~except, if allowed by~~
 92.21 ~~federal law, five percent of any recovered amount is credited to the administration account;~~

92.22 (8) all money credited to the account under this chapter;

92.23 (9) all money credited to the account of Minnesota in the federal unemployment
 92.24 trust fund under United States Code, title 42, section 1103, of the Social Security Act,
 92.25 also known as the Reed Act; and

92.26 (10) all money received for the trust fund from any other source.

92.27 **EFFECTIVE DATE.** This section is effective August 2, 2015.

92.28 Sec. 16. **SPECIAL UNEMPLOYMENT BENEFIT ASSISTANCE.**

92.29 Notwithstanding Minnesota Statutes, sections 268.085, subdivision 3, paragraph (a),
 92.30 and 268.035, subdivision 29, paragraph (a), clause (13), applicants laid off due to lack of
 92.31 work from a facility engaged directly in the extraction or processing of iron ore in Itasca
 92.32 County, St. Louis County, or Lake County, between March 1, 2015, and December 31,
 92.33 2015, will not be ineligible for unemployment benefits because of:

93.1 (1) the receipt of vacation pay from the employer engaged in the extraction or
 93.2 processing of iron ore; or

93.3 (2) the receipt of supplemental unemployment benefits from the employer engaged
 93.4 in the extraction or processing of iron ore.

93.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 93.6 is effective retroactively from March 1, 2015. This section expires December 31, 2016.

93.7 Sec. 17. **POULTRY WORKER EXTRA UNEMPLOYMENT BENEFITS.**

93.8 Subdivision 1. **Extra benefits; availability.** Extra unemployment benefits are
 93.9 available to an applicant if the applicant was laid off by:

93.10 (1) a commercial poultry producer as a result of the confirmed presence of highly
 93.11 pathogenic avian influenza in the commercial poultry producer's flock; or

93.12 (2) a commercial poultry processor as a result of the confirmed presence of highly
 93.13 pathogenic avian influenza in the flock of its poultry supplier.

93.14 Subd. 2. **Payment from fund.** Extra unemployment benefits are payable from
 93.15 the unemployment insurance trust fund.

93.16 Subd. 3. **Eligibility conditions.** An applicant is eligible to receive extra
 93.17 unemployment benefits under this section for any week through December 31, 2016,
 93.18 following the effective date of the applicant's benefit account of regular unemployment
 93.19 benefits, as a result of a layoff described under subdivision 1, if:

93.20 (1) a majority of the applicant's wage credits were with a commercial poultry
 93.21 producer or processor described in subdivision 1;

93.22 (2) the applicant meets the eligibility requirements of Minnesota Statutes, section
 93.23 268.085;

93.24 (3) the applicant is not subject to a disqualification under Minnesota Statutes, section
 93.25 268.095; and

93.26 (4) the applicant is not entitled to regular unemployment benefits and the applicant
 93.27 is not entitled to receive unemployment benefits under any other state or federal law
 93.28 for that week.

93.29 Subd. 4. **Weekly amount of extra benefits.** The weekly extra unemployment
 93.30 benefits amount available to an applicant is the same as the applicant's weekly regular
 93.31 unemployment benefit amount on the benefit account established as a result of a layoff
 93.32 under subdivision 1.

93.33 Subd. 5. **Maximum amount of extra unemployment benefits.** (a) The maximum
 93.34 amount of extra unemployment benefits available is equal to 13 weeks at the applicant's
 93.35 weekly extra unemployment benefits amount.

94.1 (b) If an applicant qualifies for a new regular benefit account under Minnesota
94.2 Statutes, section 268.07, at any time after exhausting regular unemployment benefits
94.3 as a result of the layoff under subdivision 1, the applicant must apply for and exhaust
94.4 entitlement to those new regular unemployment benefits.

94.5 Subd. 6. **Program expiration.** The extra unemployment benefit program under this
94.6 section expires on December 31, 2016. No extra unemployment benefits may be paid for
94.7 any week after the expiration of the program.

94.8 **EFFECTIVE DATE.** This section is effective August 2, 2015.

94.9 Sec. 18. **REPEALER.**

94.10 Minnesota Statutes 2014, section 268.042, subdivision 4, is repealed.

94.11 **EFFECTIVE DATE.** This section is effective August 2, 2015.

APPENDIX
Article locations in H1437-4

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	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 2	DEVELOPMENT	Page.Ln 28.21
ARTICLE 3	DEPARTMENT OF COMMERCE	Page.Ln 43.25
ARTICLE 4	HOUSING	Page.Ln 75.21
ARTICLE 5	LABOR AND INDUSTRY	Page.Ln 78.11
ARTICLE 6	UNEMPLOYMENT INSURANCE	Page.Ln 84.23

APPENDIX
Repealed Minnesota Statutes: H1437-4

268.042 EMPLOYERS COVERAGE.

Subd. 4. **Authorization.** The commissioner is authorized to enter into reciprocal arrangements with other states and the federal government, or both, whereby employment by an employee or employees for a single employer that is customarily performed in more than one state is considered performed entirely within any one of the states:

- (1) where any part of the employee's employment is performed, or
- (2) where the employee has a residence, or
- (3) where the employer maintains a place of business; provided, there is in effect, as to the employment, an election, approved by the state, under which all the employment by the employee or employees for the employer is considered to be performed entirely within that state.