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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 843

02/12/2015 Authored by Garofalo

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

04/14/2015 Adoption of Report: Amended and re-referred to the Committee on Taxes

04/16/2015 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to economic development; appropriating money for the Departments of
1.3 Employment and Economic Development, Labor and Industry, and Commerce;
1.4 the Bureau of Mediation Services; Housing Finance Agency; Explore Minnesota
1.5 Tourism; Workers' Compensation Court of Appeals; Public Utilities Commission;
1.6 Pollution Control Agency; and Department of Administration; making policy
1.7 changes to jobs and economic development, housing, labor and industry, and
1.8 commerce; establishing a tiered minimum wage; modifying unemployment
1.9 insurance employer taxes; regulating delivered fuels; modifying energy
1.10 conservation provisions; regulating renewable fuels; regulating greenhouse
1.11 gas emissions; making miscellaneous energy policy changes and conforming
1.12 changes; modifying fees; providing penalties; requiring reports; amending
1.13 Minnesota Statutes 2014, sections 3.8851, subdivisions 3, 7; 12A.15, subdivision
1.14 1; 16B.323; 45.0135, subdivision 6, by adding a subdivision; 65B.44, by adding a
1.15 subdivision; 65B.84, subdivision 1; 79.251, subdivision 1; 116C.779, subdivision
1.16 1; 116C.7791, subdivision 5; 116C.7792; 116J.431, subdivisions 1, 6; 116J.437,
1.17 subdivision 1; 116J.8738, subdivision 3, by adding a subdivision; 116J.8747,
1.18 subdivisions 1, 2; 116L.17, subdivision 4; 116L.20, subdivision 1; 116L.98,
1.19 subdivisions 1, 3, 5, 7; 116M.18, subdivisions 4, 8; 177.24, subdivision 1, by
1.20 adding subdivisions; 216B.02, by adding subdivisions; 216B.16, subdivisions
1.21 6, 6b, 6c, 7b, 8, 12, 19; 216B.164, subdivisions 3, 3a; 216B.1641; 216B.1645,
1.22 subdivision 1; 216B.1691; 216B.2401; 216B.241, subdivisions 5c, 9, by adding a
1.23 subdivision; 216B.2411, subdivision 3; 216B.2421, subdivision 2; 216B.2422,
1.24 subdivisions 2c, 4; 216B.2425; 216B.243, subdivisions 3b, 8, 9; 216C.41,
1.25 subdivisions 2, 5a; 216C.435, subdivision 5; 216E.03, subdivisions 5, 7; 216E.04,
1.26 subdivision 5; 216H.01, by adding a subdivision; 216H.02, subdivision 1;
1.27 216H.021, subdivision 1; 216H.03, subdivisions 1, 3, 4, 7; 216H.07; 237.01, by
1.28 adding subdivisions; 268.035, subdivisions 6, 21b, 26, 30; 268.051, subdivision
1.29 7, by adding a subdivision; 268.07, subdivisions 2, 3b; 268.085, subdivisions 1,
1.30 2; 268.095, subdivisions 1, 10; 268.105, subdivisions 3, 7; 268.136, subdivision
1.31 1; 268.194, subdivision 1; 268A.085; 297I.11, subdivision 2; 326B.092,
1.32 subdivision 7; 326B.096; 326B.106, subdivision 1; 326B.118; 326B.13,
1.33 subdivision 8; 326B.986, subdivisions 5, 8; 327.20, subdivision 1; 341.321;
1.34 345.42, subdivision 1, by adding a subdivision; 373.48, subdivision 3; 453A.02,
1.35 subdivision 5; 462A.33, subdivision 1; 469.049; 469.050, subdivision 4; 469.084,
1.36 subdivisions 3, 4, 8, 9, 10, 14; 473.145; 473.254, subdivisions 2, 3a; Laws 2008,
1.37 chapter 296, article 1, section 25, as amended; Laws 2014, chapter 312, article 2,
1.38 section 14; proposing coding for new law in Minnesota Statutes, chapters 80A;
1.39 116J; 116L; 175; 181; 216B; 216C; 216E; 216H; 237; 609; proposing coding for

2.1 new law as Minnesota Statutes, chapter 59D; repealing Minnesota Statutes 2014,
 2.2 sections 3.8852; 80G.01; 80G.02; 80G.03; 80G.04; 80G.05; 80G.06; 80G.07;
 2.3 80G.08; 80G.09; 80G.10; 116C.779, subdivision 3; 116U.26; 174.187; 177.24,
 2.4 subdivision 2; 216B.1612; 216B.164, subdivision 10; 216B.8109; 216B.811;
 2.5 216B.812; 216B.813; 216B.815; 216C.39; 216C.411; 216C.412; 216C.413;
 2.6 216C.414; 216C.415; 216C.416; 216H.02, subdivisions 2, 3, 4, 5, 6; 469.084,
 2.7 subdivisions 11, 12; Laws 2013, chapter 85, article 6, section 11; Laws 2014,
 2.8 chapter 312, article 2, section 15; Minnesota Rules, part 5205.0580, subpart 21.

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

2.10 **ARTICLE 1**

2.11 **APPROPRIATIONS**

2.12 Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

2.13 The amounts shown in this section summarize direct appropriations, by fund, made
 2.14 in this article.

	<u>2016</u>		<u>2017</u>		<u>Total</u>
2.15					
2.16	<u>General</u>	\$ 157,974,000	\$ 165,171,000	\$ 323,145,000	
2.17	<u>Workforce Development</u>	33,732,000	30,165,000	63,897,000	
2.18	<u>Remediation</u>	700,000	700,000	1,400,000	
2.19	<u>Workers' Compensation</u>	27,325,000	29,325,000	56,650,000	
2.20	<u>Special Revenue</u>	35,648,000	36,110,000	71,758,000	
2.21	<u>Petroleum Tank Release</u>	1,052,000	1,052,000	2,104,000	
2.22	<u>Total</u>	\$ 256,431,000	\$ 262,523,000	\$ 518,954,000	

2.23 Sec. 2. **JOBS AND ECONOMIC DEVELOPMENT.**

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

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>

2.35 Sec. 3. **DEPARTMENT OF EMPLOYMENT**
 2.36 **AND ECONOMIC DEVELOPMENT**

2.37	<u>Subdivision 1. Total Appropriation</u>	\$ 93,432,000	\$ 101,069,000
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3.1	<u>Appropriations by Fund</u>		
3.2	<u>2016</u>	<u>2017</u>	
3.3	<u>General</u>	<u>60,029,000</u>	<u>71,233,000</u>
3.4	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.5	<u>Workforce</u>		
3.6	<u>Development</u>	<u>32,703,000</u>	<u>29,136,000</u>

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

3.10	<u>Subd. 2. Business and Community</u>		
3.11	<u>Development</u>	<u>33,666,000</u>	<u>44,870,000</u>

3.12	<u>Appropriations by Fund</u>		
3.13	<u>General</u>	<u>32,281,000</u>	<u>43,485,000</u>
3.14	<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
3.15	<u>Workforce</u>		
3.16	<u>Development</u>	<u>685,000</u>	<u>685,000</u>

3.17 (a) \$8,000,000 in fiscal year 2016 and
 3.18 \$15,000,000 in fiscal year 2017 are for the
 3.19 Minnesota investment fund under Minnesota
 3.20 Statutes, section 116J.8731. Of this amount,
 3.21 the commissioner may use up to three percent
 3.22 for administrative expenses and technology
 3.23 updates. This appropriation is available until
 3.24 expended.

3.25 (1) Of the amount appropriated in fiscal year
 3.26 2016, \$2,000,000 is for a loan to construct a
 3.27 \$10,000,000 aircraft manufacturing facility.
 3.28 Funds available under this section may be
 3.29 used for purchases of materials and supplies
 3.30 made from July 1, 2015, through June
 3.31 30, 2016, which are directly related to the
 3.32 construction of the aircraft manufacturing
 3.33 facility. The loan under this clause is not
 3.34 subject to the limitations under Minnesota
 3.35 Statutes, section 116J.8731, subdivision
 3.36 5. The commissioner shall forgive the
 3.37 loan after verification that the project has

4.1 satisfied performance goals and contractual
4.2 obligations as required under Minnesota
4.3 Statutes, section 116J.8731, subdivision 7.
4.4 The amount available under this clause is
4.5 available until expended.

4.6 (2) Of the amount appropriated in fiscal
4.7 year 2016, \$2,000,000 is for grants to cities
4.8 for broadband infrastructure and other
4.9 eligible expenses, as identified in Minnesota
4.10 Statutes, section 116J.395, subdivision 2,
4.11 for a wire-line broadband infrastructure
4.12 demonstration project that is part of a
4.13 public-private partnership.

4.14 (3) In order to be awarded the broadband
4.15 infrastructure grant under clause (2), a city
4.16 must demonstrate:

4.17 (i) funding from nonstate sources that
4.18 matches the amount appropriated in clause
4.19 (2);

4.20 (ii) broadband service outages of 12 hours or
4.21 more in the area within its jurisdiction;

4.22 (iii) a decline in the number of businesses in
4.23 the area within its jurisdiction, as a result of
4.24 the lack of adequate broadband service; and

4.25 (iv) an agreement that the city will own
4.26 the broadband infrastructure as part of the
4.27 public-private partnership.

4.28 (4) The commissioner of employment and
4.29 economic development must award the
4.30 broadband infrastructure grant under clause
4.31 (2) before September 1, 2015.

4.32 (b) \$7,500,000 in fiscal year 2016 and
4.33 \$12,500,000 in fiscal year 2017 are for the
4.34 Minnesota job creation fund under Minnesota

5.1 Statutes, section 116J.8748. Of this amount,
5.2 the commissioner of employment and
5.3 economic development may use up to three
5.4 percent for administrative expenses. This
5.5 appropriation is available until expended.

5.6 (c) \$1,272,000 each year is from the
5.7 general fund for contaminated site cleanup
5.8 and development grants under Minnesota
5.9 Statutes, sections 116J.551 to 116J.558. This
5.10 appropriation is available until expended.

5.11 (d) \$700,000 each year is from the
5.12 remediation fund for contaminated site
5.13 cleanup and development grants under
5.14 Minnesota Statutes, sections 116J.551 to
5.15 116J.558. This appropriation is available
5.16 until expended.

5.17 (e) \$1,425,000 each year is from the
5.18 general fund for the business development
5.19 competitive grant program. Of this amount,
5.20 up to five percent is for administration and
5.21 monitoring of the business development
5.22 competitive grant program. All grant awards
5.23 shall be for two consecutive years. Grants
5.24 shall be awarded in the first year.

5.25 (f) \$4,195,000 each year is from the general
5.26 fund for the Minnesota job skills partnership
5.27 program under Minnesota Statutes, sections
5.28 116L.01 to 116L.17. If the appropriation for
5.29 either year is insufficient, the appropriation
5.30 for the other year is available. This
5.31 appropriation is available until expended.

5.32 (g) \$1,000,000 each year is from the general
5.33 fund for a grant to Enterprise Minnesota, Inc.
5.34 Of this amount, \$750,000 each year is for the
5.35 small business growth acceleration program

6.1 under Minnesota Statutes, section 116O.115,
6.2 and \$250,000 each year is for operations and
6.3 administration.

6.4 (h) \$150,000 each year is from the general
6.5 fund for the Center for Rural Policy and
6.6 Development.

6.7 (i) \$1,373,000 in fiscal year 2016 is for the
6.8 workforce housing grants pilot program in
6.9 Laws 2014, chapter 308, article 6, section 14.
6.10 This appropriation is onetime and is available
6.11 until June 30, 2018. The commissioner of
6.12 employment and economic development may
6.13 use up to five percent for administrative costs.

6.14 (j) \$2,500,000 in fiscal year 2016 and
6.15 \$2,500,000 in fiscal year 2017 are from the
6.16 general fund for grants for the workforce
6.17 housing development program in Minnesota
6.18 Statutes, section 116J.549. Of these amounts,
6.19 the commissioner may use up to five
6.20 percent for administrative expenses. The
6.21 appropriations in fiscal years 2016 and 2017
6.22 are available until June 30, 2018.

6.23 (k) \$200,000 in fiscal year 2016 and
6.24 \$200,000 in fiscal year 2017 are from the
6.25 general fund for a grant to develop and
6.26 implement a southern and southwestern
6.27 Minnesota initiative foundation collaborative
6.28 pilot project. Funds available under this
6.29 section must be used to support and develop
6.30 entrepreneurs in diverse populations in
6.31 southern and southwestern Minnesota. This
6.32 is a onetime appropriation.

6.33 (l) \$750,000 in fiscal year 2016 and
6.34 \$1,500,000 in fiscal year 2017 are from
6.35 the general fund for the greater Minnesota

7.1 business development public infrastructure
7.2 grant program under Minnesota Statutes,
7.3 section 116J.431. Funds available under this
7.4 paragraph may be used for site preparation
7.5 of property owned and to be used by private
7.6 entities. The base for this program is
7.7 \$2,000,000 each year beginning in fiscal year
7.8 2018.

7.9 (m) \$173,000 in fiscal year 2016 is from
7.10 the general fund for the innovation voucher
7.11 pilot program under Laws 2014, chapter 312,
7.12 article 2, section 2, subdivision 2, paragraph
7.13 (j). This is a onetime appropriation.

7.14 (n) \$300,000 in fiscal year 2016 and
7.15 \$300,000 in fiscal year 2017 are from
7.16 the workforce development fund to the
7.17 commissioner of employment and economic
7.18 development for a grant to the small
7.19 business development center hosted at
7.20 Minnesota State University, Mankato, for
7.21 a collaborative initiative with the Regional
7.22 Center for Entrepreneurial Facilitation.

7.23 Funds available under this paragraph must
7.24 be used to provide entrepreneur and small
7.25 business development direct professional
7.26 business assistance services in the following
7.27 counties in Minnesota: Blue Earth, Brown,
7.28 Faribault, Le Sueur, Martin, Nicollet, Sibley,
7.29 Watonwan, and Waseca. For the purposes of
7.30 this paragraph, "direct professional business
7.31 assistance services" must include, but is
7.32 not limited to, pre-venture assistance for
7.33 individuals considering starting a business.

7.34 This appropriation is not available until
7.35 the commissioner determines that an equal
7.36 amount is committed from nonstate sources.

8.1 Any balance in the first year does not cancel
 8.2 and is available for expenditure in the second
 8.3 year. Grant recipients shall report to the
 8.4 commissioner by February 1 of each year
 8.5 and include information on the number of
 8.6 customers served in each county; the number
 8.7 of businesses started, stabilized, or expanded;
 8.8 the number of jobs created and retained;
 8.9 and business success rates in each county.
 8.10 By April 1 of each year, the commissioner
 8.11 shall report the information submitted by
 8.12 grant recipients to the chairs of the standing
 8.13 committees of the house of representatives
 8.14 and the senate having jurisdiction over
 8.15 economic development issues. This is a
 8.16 onetime appropriation. This language does
 8.17 not expire.

8.18 (o) \$385,000 in fiscal year 2016 and
 8.19 \$385,000 in fiscal year 2017 are from the
 8.20 workforce development fund for grants to
 8.21 the Neighborhood Development Center. Of
 8.22 this amount, \$300,000 is for training, lending
 8.23 and business services for aspiring business
 8.24 owners, and expansion of services for
 8.25 immigrants in suburban communities; and
 8.26 \$85,000 is for Neighborhood Development
 8.27 Center model outreach and training activities
 8.28 in greater Minnesota. This is a onetime
 8.29 appropriation.

8.30 **Subd. 3. Workforce Development** 21,188,000 17,621,000

	<u>Appropriations by Fund</u>	
8.32 <u>General</u>	<u>1,000,000</u>	<u>1,000,000</u>
8.33 <u>Workforce</u>		
8.34 <u>Development</u>	<u>20,188,000</u>	<u>16,621,000</u>

8.35 (a) \$3,283,000 each year is from the
 8.36 workforce development fund for the adult

9.1 workforce development competitive grant
9.2 program. Of this amount, up to five percent
9.3 is for administration and monitoring of the
9.4 adult workforce development competitive
9.5 grant program. All grant awards shall be
9.6 for two consecutive years. Grants shall be
9.7 awarded in the first year.

9.8 (b) \$3,500,000 each year is from the
9.9 workforce development fund for the
9.10 Minnesota youth program under Minnesota
9.11 Statutes, sections 116L.56 and 116L.561.

9.12 (c) \$1,000,000 each year is from the
9.13 workforce development fund for the
9.14 youthbuild program under Minnesota
9.15 Statutes, sections 116L.361 to 116L.366.

9.16 (d) \$200,000 each year is from the workforce
9.17 development fund for a grant to Minnesota
9.18 Diversified Industries, Inc., to provide
9.19 progressive development and employment
9.20 opportunities for people with disabilities.

9.21 (e) \$2,848,000 each year is from the
9.22 workforce development fund for the youth
9.23 workforce development competitive grant
9.24 program. Of this amount, up to five percent
9.25 is for administration and monitoring of the
9.26 youth workforce development competitive
9.27 grant program. All grant awards shall be
9.28 for two consecutive years. Grants shall be
9.29 awarded in the first year.

9.30 (f) \$1,500,000 each year is from the
9.31 workforce development fund for a grant
9.32 to FastTRAC - Minnesota Adult Careers
9.33 Pathways Program for low-skilled,
9.34 low-income adults. Up to ten percent
9.35 of this appropriation may be used to

10.1 provide leadership, oversight, and technical
10.2 assistance services.

10.3 (g) \$650,000 each year is from the workforce
10.4 development fund for the Opportunities
10.5 Industrialization Center (OIC) programs.
10.6 Of this appropriation, \$500,000 each year
10.7 shall be divided equally among the eligible
10.8 centers. Of this appropriation, \$75,000 each
10.9 year is for the East Metro OIC in St. Paul
10.10 and \$75,000 each year is for the Northwest
10.11 Indian OIC in Bemidji. This is a onetime
10.12 appropriation.

10.13 (h) \$850,000 each year is from the workforce
10.14 development fund for a grant to the
10.15 Minnesota Alliance of Boys and Girls Clubs
10.16 to administer a statewide project of youth jobs
10.17 skills development. This project, which may
10.18 have career guidance components, including
10.19 health and life skills, is to encourage,
10.20 train, and assist youth in job-seeking
10.21 skills, workplace orientation, and job-site
10.22 knowledge through coaching. This grant
10.23 requires a 25 percent match from nonstate
10.24 resources. This is a onetime appropriation.

10.25 (i) \$500,000 each year is from the general
10.26 fund for the publication, dissemination,
10.27 and use of labor market information under
10.28 Minnesota Statutes, section 116J.4011, and
10.29 for programs in the workforce service areas
10.30 to combine career and higher education
10.31 advising.

10.32 (j) \$250,000 each year is from the workforce
10.33 development fund for a grant to Big
10.34 Brothers Big Sisters of the Greater Twin
10.35 Cities for workforce readiness, employment

11.1 exploration, and skills development for youth
11.2 ages 12 to 21. The grant must serve youth
11.3 in the Twin Cities, central Minnesota and
11.4 southern Minnesota Big Brothers Big Sisters
11.5 chapters. This is a onetime appropriation.
11.6 (k) \$900,000 in fiscal year 2016 and
11.7 \$1,100,000 in fiscal year 2017 are from the
11.8 workforce development fund for a grant to the
11.9 Minnesota High Tech Association to support
11.10 SciTechsperience, a program that supports
11.11 science, technology, engineering, and math
11.12 (STEM) internship opportunities for two-
11.13 and four-year college students in their field
11.14 of study. The internship opportunities
11.15 must match students with paid internships
11.16 within STEM disciplines at small, for-profit
11.17 companies located in the seven-county
11.18 metropolitan area, having fewer than 150
11.19 total employees; or at small or medium,
11.20 for-profit companies located outside of the
11.21 seven-county metropolitan area, having
11.22 fewer than 250 total employees. At least 200
11.23 students must be matched in the first year
11.24 and at least 250 students must be matched in
11.25 the second year. Selected hiring companies
11.26 shall receive from the grant 50 percent of the
11.27 wages paid to the intern, capped at \$2,500
11.28 per intern. The program must work toward
11.29 increasing the participation among women or
11.30 other underserved populations.
11.31 (l) \$500,000 each year is from the workforce
11.32 development fund for a grant to Resource,
11.33 Inc. to provide low-income individuals
11.34 career education and job skills training that
11.35 are fully integrated with chemical and mental
11.36 health services.

- 12.1 (m) \$140,000 each year is from the workforce
12.2 development fund for a grant to the St.
12.3 Cloud Area Somali Salvation Organization
12.4 for youth development and crime prevention
12.5 activities. Grant funds may be used to
12.6 train and place mentors in elementary and
12.7 secondary schools; for athletic, social,
12.8 and other activities to foster leadership
12.9 development; to provide a safe place for
12.10 participating youth to gather after school, on
12.11 weekends, and on holidays; and activities to
12.12 improve the organizational and job readiness
12.13 skills of participating youth.
- 12.14 (n) \$200,000 in fiscal year 2016 is from the
12.15 workforce development fund for the uniform
12.16 outcome report card requirements under
12.17 Minnesota Statutes, section 116L.98. This is
12.18 a onetime appropriation.
- 12.19 (o) \$500,000 in fiscal year 2016 and
12.20 \$500,000 in fiscal year 2017 are from the
12.21 general fund for job training grants under
12.22 Minnesota Statutes, section 116L.42.
- 12.23 (p) \$2,000,000 in fiscal year 2016 is
12.24 from the workforce development fund for
12.25 adult workforce employment and training
12.26 activities administered by workforce service
12.27 areas. Funds available under this paragraph
12.28 must be used by workforce service areas
12.29 in the same manner as provided for under
12.30 Public Law 113-128, sections 133 and
12.31 134. Of the amount available under this
12.32 paragraph, \$500,000 is for workforce service
12.33 area number 1, \$1,000,000 is for workforce
12.34 service area number 2, and \$500,000 is for

- 13.1 workforce service area number 6. This is a
13.2 onetime appropriation.
- 13.3 (q) \$517,000 in fiscal year 2016 is from the
13.4 workforce development fund for a grant
13.5 to YWCA St. Paul for training and job
13.6 placement assistance, including commercial
13.7 driver's license training, through the job
13.8 placement and retention program. This is a
13.9 onetime appropriation.
- 13.10 (r) \$450,000 in fiscal year 2016 and \$450,000
13.11 in fiscal year 2017 are from the workforce
13.12 development fund for performance grants
13.13 under Minnesota Statutes, section 116J.8747,
13.14 to Twin Cities RISE! to provide training to
13.15 hard-to-train individuals. This is a onetime
13.16 appropriation.
- 13.17 (s) \$350,000 in fiscal year 2016 and \$350,000
13.18 in fiscal year 2017 are from the workforce
13.19 development fund for the urban initiative
13.20 loan program in Minnesota Statutes, section
13.21 116M.18. This is a onetime appropriation.
- 13.22 (t) \$250,000 in fiscal year 2016 is from
13.23 the workforce development fund for the
13.24 foreign-trained health care professionals
13.25 grant program modeled after the pilot
13.26 program conducted under Laws 2006,
13.27 chapter 282, article 11, section 2, subdivision
13.28 12, to encourage state licensure of
13.29 foreign-trained health care professionals,
13.30 including: physicians, with preference given
13.31 to primary care physicians who commit
13.32 to practicing for at least five years after
13.33 licensure in underserved areas of the state;
13.34 nurses; dentists; pharmacists; mental health
13.35 professionals; and other allied health care

14.1 professionals. The commissioner must
14.2 collaborate with health-related licensing
14.3 boards and Minnesota workforce centers to
14.4 award grants to foreign-trained health care
14.5 professionals sufficient to cover the actual
14.6 costs of taking a course to prepare health
14.7 care professionals for required licensing
14.8 examinations and the fee for the state
14.9 licensing examinations. When awarding
14.10 grants, the commissioner must consider the
14.11 following factors:

14.12 (1) whether the recipient's training involves
14.13 a medical specialty that is in high demand in
14.14 one or more communities in the state;

14.15 (2) whether the recipient commits to
14.16 practicing in a designated rural area or an
14.17 underserved urban community, as defined in
14.18 Minnesota Statutes, section 144.1501;

14.19 (3) whether the recipient's language skills
14.20 provide an opportunity for needed health care
14.21 access for underserved Minnesotans; and

14.22 (4) any additional criteria established by the commissioner.

14.23 This is a onetime appropriation and is
14.24 available until expended.

14.25 (u) \$800,000 in fiscal year 2016 is from
14.26 the workforce development fund for
14.27 the customized training program for
14.28 manufacturing industries under Minnesota
14.29 Statutes, section 116L.65. This is a onetime
14.30 appropriation and is available in either year
14.31 of the biennium. Of this amount:

14.32 (1) \$350,000 is for a grant to Central Lakes
14.33 College for the purposes of this paragraph;

15.1 (2) \$250,000 is for Minnesota West
 15.2 Community and Technical College for the
 15.3 purposes of this paragraph; and
 15.4 (3) \$200,000 is for South Central College for
 15.5 the purposes of this paragraph.

15.6 **Subd. 4. General Support Services** 1,362,000 1,362,000

15.7 (a) \$875,000 each year is for the Olmstead
 15.8 Implementation Office.

15.9 (b) \$150,000 in fiscal year 2016 is
 15.10 appropriated from the energy fund
 15.11 account established in Minnesota Statutes,
 15.12 section 116C.779, to the commissioner of
 15.13 employment and economic development for
 15.14 the purpose of conducting the public power
 15.15 authority study in article 11.

15.16 **Subd. 5. Minnesota Trade Office** 1,972,000 1,972,000

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

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

15.22 **Subd. 6. Vocational Rehabilitation** 29,319,000 29,319,000

	<u>Appropriations by Fund</u>	
15.24 <u>General</u>	<u>17,489,000</u>	<u>17,489,000</u>
15.25 <u>Workforce</u>		
15.26 <u>Development</u>	<u>11,830,000</u>	<u>11,830,000</u>

15.27 (a) \$10,800,000 each year is from the general
 15.28 fund for the state's vocational rehabilitation
 15.29 program under Minnesota Statutes, chapter
 15.30 268A.

15.31 (b) \$2,261,000 each year is from the general
 15.32 fund for grants to centers for independent
 15.33 living under Minnesota Statutes, section
 15.34 268A.11.

16.1 (c) \$2,873,000 each year from the general
 16.2 fund and \$10,830,000 each year from the
 16.3 workforce development fund is for extended
 16.4 employment services for persons with
 16.5 severe disabilities under Minnesota Statutes,
 16.6 section 268A.15. For the allocation of funds
 16.7 under this paragraph and for the purposes
 16.8 of sections 268A.03, clause (1); 268A.06;
 16.9 268A.085; and 268A.15, a "community
 16.10 rehabilitation provider" or "facility" means a
 16.11 nonprofit or public entity that provides at least
 16.12 one extended employment subprogram for
 16.13 persons with the most significant disabilities.

16.14 (d) \$1,555,000 each year is from the general
 16.15 fund for grants to programs that provide
 16.16 employment support services to persons with
 16.17 mental illness under Minnesota Statutes,
 16.18 sections 268A.13 and 268A.14.

16.19 (e) \$1,000,000 each year is from the
 16.20 workforce development fund for grants
 16.21 under Minnesota Statutes, section 268A.16,
 16.22 for employment services for persons,
 16.23 including transition-aged youth, who are
 16.24 deaf, deafblind, or hard of hearing.

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

16.26 Subd. 8. **Competitive grant limitations.**

16.27 An organization that receives a direct
 16.28 appropriation under this section is not eligible
 16.29 to participate in competitive grant programs
 16.30 under this section during the fiscal years in
 16.31 which the direct appropriations are received.

16.32 Sec. 4. **HOUSING FINANCE AGENCY**

16.33 Subdivision 1. **Total Appropriation** \$ 43,775,000 \$ 43,775,000

17.1 (a) The amounts that may be spent for
 17.2 each purpose are specified in the following
 17.3 subdivisions.

17.4 (b) Unless otherwise specified, this
 17.5 appropriation is for transfer to the housing
 17.6 development fund for the programs specified
 17.7 in this section. Except as otherwise indicated,
 17.8 this transfer is part of the agency's permanent
 17.9 budget base.

17.10 (c) The Housing Finance Agency must make
 17.11 continuous improvements to its ongoing
 17.12 efforts to reduce the racial and ethnic
 17.13 inequalities in home-ownership rates and
 17.14 must seek opportunities to deploy increasing
 17.15 levels of resources toward these efforts.

17.16 <u>Subd. 2. Challenge Program</u>	<u>10,425,000</u>	<u>10,425,000</u>
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17.17 (a) This appropriation is from the general
 17.18 fund for transfer to the housing development
 17.19 fund for the economic development and
 17.20 housing challenge program under Minnesota
 17.21 Statutes, section 462A.33. The agency must
 17.22 continue to strengthen its efforts to address
 17.23 the disparity rate between white households
 17.24 and indigenous American Indians and
 17.25 communities of color.

17.26 (b) Of this amount, \$5,213,000 each year is
 17.27 for loans and grants for workforce housing
 17.28 in communities that:

17.29 (1) have an average vacancy rate for rental
 17.30 housing of five percent or less for the
 17.31 preceding two years;

17.32 (2) propose to build market rate residential
 17.33 rental properties that do not have federal or
 17.34 state law requirements for income limits and

18.1 that are not proposing to use federal, state, or
18.2 local flood recovery assistance;

18.3 (3) are located outside of the metropolitan
18.4 area, as defined in Minnesota Statutes,
18.5 section 473.121, subdivision 2, and have a
18.6 population greater than 500 people; and

18.7 (4) have a written statement provided by a
18.8 business or businesses located in the city or
18.9 within 25 miles of the city where the project
18.10 is proposed that employs a minimum of 20
18.11 full-time equivalent employees in aggregate
18.12 indicating that the lack of available rental
18.13 housing has impeded their ability to recruit
18.14 and hire employees.

18.15 On July 15, 2017, any remaining balance of
18.16 appropriations under this paragraph that are
18.17 unobligated on July 1, 2017, is transferred
18.18 from the housing development fund to the
18.19 general fund. By January 15 of each fiscal
18.20 year, the commissioner must submit a report
18.21 to the chairs and ranking minority members
18.22 of the senate and house of representatives
18.23 committees having jurisdiction over
18.24 housing finance and economic development
18.25 specifying the selection criteria of awarding
18.26 grants and loans, the projects that received
18.27 funding under this paragraph, and how the
18.28 funds are being used.

18.29 (c) Notwithstanding Minnesota Statutes,
18.30 section 462A.33, loans and grants made in
18.31 paragraph (b) for workforce housing shall not
18.32 be subject to the requirements in Minnesota
18.33 Statutes, section 462A.33, subdivision 3 or
18.34 5, except that preference may be given to
18.35 proposals that include contributions from

19.1 nonstate resources for the greatest portion of
19.2 the total development cost. Notwithstanding
19.3 Minnesota Statutes, section 462A.33, the
19.4 limitations on return of eligible mortgagors
19.5 under Minnesota Statutes, section 462A.03,
19.6 subdivision 13, do not apply to loans and
19.7 grants under paragraph (b) or loans or
19.8 grants for targeted workforce housing under
19.9 this section. Notwithstanding any other
19.10 law, nothing shall prevent the award of
19.11 grants or loans in this section from being
19.12 used to finance new modular homes, new
19.13 manufactured homes, and new manufactured
19.14 homes on leased land or in a manufactured
19.15 home park.

19.16 (d) Of this amount, \$2,606,000 each year
19.17 is for economic development and housing
19.18 challenge program grants and loans for
19.19 housing projects outside of the metropolitan
19.20 area, as defined in Minnesota Statutes,
19.21 section 473.121, subdivision 2.

19.22 (e) Of this amount, \$2,606,000 each year
19.23 is for economic development and housing
19.24 challenge program grants and loans for
19.25 housing projects in the metropolitan area
19.26 as defined in Minnesota Statutes, section
19.27 473.121, subdivision 2.

19.28 (f) Priority shall be given to programs and
19.29 projects under this subdivision that are land
19.30 trust programs and programs that work in
19.31 coordination with a land trust program.

19.32 (g) The commissioner of housing finance
19.33 must increase administrative support offered
19.34 by the agency to assist smaller communities
19.35 to improve access to grants and loans

20.1 made using funds from the economic
 20.2 development and housing challenge program
 20.3 and to create and implement a streamlined
 20.4 review and awards process that allows
 20.5 smaller communities to use the resources
 20.6 available to them to complete applications
 20.7 and comply with program requirements.
 20.8 The commissioner must increase outreach
 20.9 to communities outside the metropolitan
 20.10 area that have low vacancy rates and
 20.11 report back on the progress of assisting
 20.12 these communities to the chairs and
 20.13 ranking minority members of the standing
 20.14 committees of the senate and house of
 20.15 representatives having jurisdiction over
 20.16 housing finance and economic development
 20.17 by December 1, 2015.

20.18 **Subd. 3. Housing Trust Fund** 10,276,000 10,276,000

20.19 This appropriation is for deposit in the
 20.20 housing trust fund account created under
 20.21 Minnesota Statutes, section 462A.201, and
 20.22 may be used for the purposes provided in
 20.23 that section. To the extent that these funds
 20.24 are used for the acquisition of housing, the
 20.25 agency shall give priority among comparable
 20.26 projects to projects that focus on creating
 20.27 safe and stable housing for homeless youth
 20.28 or projects that provide housing to trafficked
 20.29 women and children.

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

20.31 This appropriation is for the rental housing
 20.32 assistance program under Minnesota
 20.33 Statutes, section 462A.2097.

20.34 **Subd. 5. Family Homeless Prevention** 7,862,000 7,862,000

21.1	<u>This appropriation is for the family homeless</u>		
21.2	<u>prevention and assistance programs under</u>		
21.3	<u>Minnesota Statutes, section 462A.204.</u>		
21.4	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>830,000</u>	<u>830,000</u>
21.5	<u>This appropriation is for the home ownership</u>		
21.6	<u>assistance program under Minnesota</u>		
21.7	<u>Statutes, section 462A.21, subdivision 8.</u>		
21.8	<u>The agency shall continue to strengthen</u>		
21.9	<u>its efforts to address the disparity gap in</u>		
21.10	<u>the homeownership rate between white</u>		
21.11	<u>households and indigenous American Indians</u>		
21.12	<u>and communities of color.</u>		
21.13	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
21.14	<u>(a) This appropriation is for the affordable</u>		
21.15	<u>rental investment fund program under</u>		
21.16	<u>Minnesota Statutes, section 462A.21,</u>		
21.17	<u>subdivision 8b, to finance the acquisition,</u>		
21.18	<u>rehabilitation, and debt restructuring of</u>		
21.19	<u>federally assisted rental property and for</u>		
21.20	<u>making equity takeout loans under Minnesota</u>		
21.21	<u>Statutes, section 462A.05, subdivision 39.</u>		
21.22	<u>(b) The owner of federally assisted rental</u>		
21.23	<u>property must agree to participate in</u>		
21.24	<u>the applicable federally assisted housing</u>		
21.25	<u>program and to extend any existing</u>		
21.26	<u>low-income affordability restrictions on the</u>		
21.27	<u>housing for the maximum term permitted.</u>		
21.28	<u>The owner must also enter into an agreement</u>		
21.29	<u>that gives local units of government,</u>		
21.30	<u>housing and redevelopment authorities,</u>		
21.31	<u>and nonprofit housing organizations the</u>		
21.32	<u>right of first refusal if the rental property</u>		
21.33	<u>is offered for sale. Priority must be given</u>		
21.34	<u>among comparable federally assisted rental</u>		
21.35	<u>properties to properties with the longest</u>		

22.1 remaining term under an agreement for
 22.2 federal assistance. Priority must also be
 22.3 given among comparable rental housing
 22.4 developments to developments that are or
 22.5 will be owned by local government units, a
 22.6 housing and redevelopment authority, or a
 22.7 nonprofit housing organization.

22.8 (c) This appropriation also may be used to
 22.9 finance the acquisition, rehabilitation, and
 22.10 debt restructuring of existing supportive
 22.11 housing properties. For purposes of this
 22.12 subdivision, "supportive housing" means
 22.13 affordable rental housing with links to
 22.14 services necessary for individuals, youth, and
 22.15 families with children to maintain housing
 22.16 stability.

22.17 **Subd. 8. Housing Rehabilitation** 2,772,000 2,772,000

22.18 This appropriation is for housing assistance
 22.19 for the rehabilitation of single-family homes
 22.20 under the housing rehabilitation program
 22.21 under Minnesota Statutes, section 462A.05,
 22.22 subdivision 14.

22.23 **Subd. 9. Rental Rehabilitation** 3,138,000 3,138,000

22.24 This appropriation is for the rental housing
 22.25 rehabilitation loan program under Minnesota
 22.26 Statutes, section 462A.05, subdivision 14.

22.27 **Subd. 10. Homeownership Education,**
 22.28 **Counseling, and Training** 791,000 791,000

22.29 This appropriation is for the homeownership
 22.30 education, counseling, and training program
 22.31 under Minnesota Statutes, section 462A.209.
 22.32 Priority may be given to funding programs
 22.33 that are aimed at culturally specific groups
 22.34 who are providing services to members of
 22.35 their communities.

23.1	<u>Subd. 11. Capacity Building Grants</u>	<u>375,000</u>	<u>375,000</u>
23.2	<u>This appropriation is for nonprofit capacity</u>		
23.3	<u>building grants under Minnesota Statutes,</u>		
23.4	<u>section 462A.21, subdivision 3b.</u>		
23.5	<u>Subd. 12. Grants</u>	<u>250,000</u>	<u>250,000</u>
23.6	<u>(a) \$250,000 in fiscal year 2016 and \$250,000</u>		
23.7	<u>in fiscal year 2017 are from the general fund</u>		
23.8	<u>to the commissioner of housing finance</u>		
23.9	<u>for the competitive grants program under</u>		
23.10	<u>paragraph (b).</u>		
23.11	<u>(b) The commissioner of housing finance</u>		
23.12	<u>shall establish a competitive grant program</u>		
23.13	<u>to serve women and children at risk of being</u>		
23.14	<u>homeless who have been victims of domestic</u>		
23.15	<u>violence, sexual assault, human trafficking,</u>		
23.16	<u>international abusive marriage, or a forced</u>		
23.17	<u>marriage. The commissioner shall award</u>		
23.18	<u>grants to nonprofits that have a plan to</u>		
23.19	<u>partner with an organization that can provide</u>		
23.20	<u>appropriate services. Priority shall be given</u>		
23.21	<u>to programs that can provide linguistically</u>		
23.22	<u>and culturally appropriate services and that</u>		
23.23	<u>have the capacity to serve immigrant women</u>		
23.24	<u>and children. At least one grant must be to</u>		
23.25	<u>a program that serves an area outside of the</u>		
23.26	<u>seven-county metropolitan area. The grant</u>		
23.27	<u>recipients must:</u>		
23.28	<u>(1) provide rental assistance to pregnant</u>		
23.29	<u>women or women who have custody over a</u>		
23.30	<u>minor child at risk of being homeless and</u>		
23.31	<u>who are victims of domestic violence, sexual</u>		
23.32	<u>assault, human trafficking, an international</u>		
23.33	<u>abusive marriage, or a forced marriage;</u>		

24.1 (2) require the participant to pay 30 percent
 24.2 of the participant's income toward the rent;
 24.3 (3) allow the families to choose their own
 24.4 housing, including single-family homes,
 24.5 townhomes, and apartments;
 24.6 (4) give priority to families with more than
 24.7 four children and to heads of households who
 24.8 are recent immigrants or refugees and who
 24.9 have limited English proficiency;
 24.10 (5) provide rental assistance for up to 24
 24.11 months;
 24.12 (6) provide linguistically and culturally
 24.13 appropriate advocacy and supportive services
 24.14 or partner with a program that can provide
 24.15 appropriate services; and
 24.16 (7) require participants in the program to
 24.17 actively seek employment or participate in
 24.18 activities that will assist them in gaining
 24.19 future employment.
 24.20 (c) For the purposes of this subdivision,
 24.21 "supportive services" may include
 24.22 educational, social, legal advocacy, child
 24.23 care, employment assistance, money
 24.24 management, mental health, health care, or
 24.25 other services.
 24.26 (d) By July 15, 2015, the remaining balance
 24.27 of appropriations in Laws 2012, First Special
 24.28 Session chapter 1, article 1, section 7, for
 24.29 the economic development and housing
 24.30 challenge program that is unobligated to
 24.31 loans to homeowners or rental property
 24.32 owners as of June 30, 2015, estimated to be
 24.33 \$400,000, is canceled to the general fund.

24.34 **Sec. 5. EXPLORE MINNESOTA TOURISM \$ 14,888,000 \$ 15,888,000**

25.1 To develop maximum private sector
 25.2 involvement in tourism, \$500,000 in fiscal
 25.3 year 2016 and \$500,000 in fiscal year 2017
 25.4 must be matched by Explore Minnesota
 25.5 Tourism from nonstate sources. Each \$1 of
 25.6 state incentive must be matched with \$6 of
 25.7 private sector funding. "Cash match" means
 25.8 revenue to the state or documented cash
 25.9 expenditures directly expended to support
 25.10 Explore Minnesota Tourism programs. Up
 25.11 to one-half of the private sector contribution
 25.12 may be in-kind or soft match. The incentive
 25.13 in fiscal year 2016 shall be based on fiscal
 25.14 year 2015 private sector contributions. The
 25.15 incentive in fiscal year 2017 shall be based on
 25.16 fiscal year 2016 private sector contributions.
 25.17 This incentive is ongoing.
 25.18 Funding for the marketing grants is available
 25.19 either year of the biennium. Unexpended
 25.20 grant funds from the first year are available
 25.21 in the second year.
 25.22 Appropriations made under this section are
 25.23 available until expended. Funds unexpended
 25.24 on June 30 of each odd-numbered year must
 25.25 be deposited in a special marketing account
 25.26 for use by Explore Minnesota Tourism for
 25.27 additional marketing activities.

25.28 **Sec. 6. DEPARTMENT OF LABOR AND**
 25.29 **INDUSTRY**

25.30	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>27,660,000</u>	<u>\$</u>	<u>29,478,000</u>
25.31	<u>Appropriations by Fund</u>				
25.32		<u>2016</u>		<u>2017</u>	
25.33	<u>General</u>	<u>1,760,000</u>		<u>1,578,000</u>	

26.1	<u>Workers'</u>		
26.2	<u>Compensation</u>	<u>24,871,000</u>	<u>26,871,000</u>
26.3	<u>Workforce</u>		
26.4	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

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

26.8	<u>Subd. 2. Workers' Compensation</u>	<u>14,678,000</u>	<u>16,678,000</u>
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26.9 (a) This appropriation is from the workers'
 26.10 compensation fund.

26.11 (b)(1) \$4,000,000 in fiscal year 2016 and
 26.12 \$6,000,000 in fiscal year 2017 are for workers'
 26.13 compensation system upgrades. The base
 26.14 appropriation for this purpose is \$3,000,000
 26.15 in fiscal year 2018 and \$3,000,000 in fiscal
 26.16 year 2019. The base appropriation for fiscal
 26.17 year 2020 and beyond is zero.

26.18 (2) This appropriation includes funds for
 26.19 information technology project services
 26.20 and support subject to the provisions of
 26.21 Minnesota Statutes, section 16E.0466.
 26.22 Any ongoing information technology costs
 26.23 must be incorporated into the service level
 26.24 agreement and must be paid to the Office
 26.25 of MN.IT Services by the commissioner
 26.26 of labor and industry under the rates and
 26.27 mechanism specified in that agreement.

26.28	<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>2,659,000</u>	<u>2,607,000</u>
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26.29	<u>Appropriations by Fund</u>		
26.30	<u>General</u>	<u>1,630,000</u>	<u>1,578,000</u>
26.31	<u>Workforce</u>		
26.32	<u>Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

26.33 (a) \$766,000 each year is from the
 26.34 general fund for the labor standards and
 26.35 apprenticeship program.

27.1 (b) \$150,000 each year is from the general
 27.2 fund for a child labor initiative for expanding
 27.3 education and outreach to high schools and
 27.4 targeted industries to ensure minors entering
 27.5 the workforce are safe.

27.6 (c) \$879,000 each year is from the workforce
 27.7 development fund for the apprenticeship
 27.8 program under Minnesota Statutes, chapter
 27.9 178, and includes \$100,000 each year for
 27.10 labor education and advancement program
 27.11 grants and to expand and promote registered
 27.12 apprenticeship training in nonconstruction
 27.13 trade programs.

27.14 (d) \$150,000 each year is from the workforce
 27.15 development fund for prevailing wage
 27.16 enforcement.

27.17 (e) \$100,000 each year is from the general
 27.18 fund for wage enforcement.

27.19 (f) \$100,000 each year is from the general
 27.20 fund for compliance and enforcement
 27.21 activities under Laws 2014, chapter 239,
 27.22 article 4, section 10.

27.23 (g) \$409,000 in fiscal year 2016 and \$399,000
 27.24 in fiscal year 2017 are from the general fund
 27.25 for the identification of competency standards
 27.26 under Minnesota Statutes, section 175.45.

27.27 (h) \$105,000 in fiscal year 2016 and \$63,000
 27.28 in fiscal year 2017 are from the general fund
 27.29 for implementation and administration of
 27.30 legislation styled as H.F. No. 1027 if enacted
 27.31 during the 2015 legislative session.

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

27.33 This appropriation is from the workers'
 27.34 compensation fund.

28.1	<u>Subd. 5. General Support</u>		<u>6,039,000</u>	<u>6,039,000</u>
28.2	<u>This appropriation is from the workers'</u>			
28.3	<u>compensation fund.</u>			
28.4	<u>Subd. 6. Construction Codes and Services</u>		<u>130,000</u>	<u>0</u>
28.5	<u>\$130,000 in fiscal year 2016 is for rulemaking</u>			
28.6	<u>under Minnesota Statutes, section 326B.118.</u>			
28.7	<u>This is a onetime appropriation.</u>			
28.8	<u>Sec. 7. BUREAU OF MEDIATION</u>			
28.9	<u>SERVICES</u>	<u>\$</u>	<u>1,733,000</u>	<u>\$ 1,733,000</u>
28.10	<u>\$68,000 each year is for grants to area labor</u>			
28.11	<u>management committees. Grants may be</u>			
28.12	<u>awarded for a 12-month period beginning</u>			
28.13	<u>July 1 each year. Any unencumbered balance</u>			
28.14	<u>remaining at the end of the first year does not</u>			
28.15	<u>cancel but is available for the second year.</u>			
28.16	<u>Sec. 8. WORKERS' COMPENSATION</u>			
28.17	<u>COURT OF APPEALS</u>	<u>\$</u>	<u>1,703,000</u>	<u>\$ 1,703,000</u>
28.18	<u>This appropriation is from the workers'</u>			
28.19	<u>compensation fund.</u>			
28.20	<u>Sec. 9. DEPARTMENT OF COMMERCE</u>			
28.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>66,979,000</u>	<u>\$ 62,966,000</u>
28.22	<u>Appropriations by Fund</u>			
28.23		<u>2016</u>	<u>2017</u>	
28.24	<u>General</u>	<u>30,236,000</u>	<u>25,525,000</u>	
28.25	<u>Special Revenue</u>	<u>34,940,000</u>	<u>35,640,000</u>	
28.26	<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>	
28.27	<u>Workers'</u>			
28.28	<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>	
28.29	<u>The amounts that may be spent for each</u>			
28.30	<u>purpose are specified in the following</u>			
28.31	<u>subdivisions.</u>			
28.32	<u>Subd. 2. Financial Institutions</u>		<u>4,885,000</u>	<u>4,885,000</u>

29.1 \$142,000 each year is from the general fund
 29.2 for the regulation of mortgage originators
 29.3 and servicers under Minnesota Statutes,
 29.4 chapters 58 and 58A.

29.5 **Subd. 3. Petroleum Tank Release**
 29.6 **Compensation Board** 1,052,000 1,052,000

29.7 This appropriation is from the petroleum
 29.8 tank fund.

29.9 **Subd. 4. Administrative Services** 5,940,000 5,440,000

29.10 \$500,000 in fiscal year 2016 is from
 29.11 the general fund for a grant for a
 29.12 pay-for-performance contract with a vendor
 29.13 who will facilitate the return of abandoned
 29.14 property to owners. The vendor must receive
 29.15 up to seven percent of the value of the
 29.16 abandoned property, up to \$500,000, when
 29.17 such abandoned property is returned to its
 29.18 owner. This is a onetime appropriation.

29.19 **Subd. 5. Telecommunications** 1,873,000 1,798,000

29.20 Appropriations by Fund

29.21 <u>General</u>	<u>633,000</u>	<u>558,000</u>	
29.22 <u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>	

29.23 \$1,240,000 in fiscal year 2016 and \$1,240,000
 29.24 in fiscal year 2017 are appropriated to the
 29.25 commissioner from the telecommunication
 29.26 access fund for the following transfers:

29.27 (1) \$800,000 in fiscal year 2016 and \$800,000
 29.28 in fiscal year 2017 are to the commissioner
 29.29 of human services to supplement the ongoing
 29.30 operational expenses of the Commission
 29.31 of Deaf, DeafBlind, and Hard-of-Hearing
 29.32 Minnesotans;

29.33 (2) \$290,000 in fiscal year 2016 and
 29.34 \$290,000 in fiscal year 2017 are to the

30.1 chief information officer for the purpose of
 30.2 coordinating technology accessibility and
 30.3 usability;
 30.4 (3) \$100,000 in fiscal year 2016 and \$100,000
 30.5 in fiscal year 2017 are to the Legislative
 30.6 Coordinating Commission for captioning of
 30.7 legislative coverage. This transfer is subject
 30.8 to Minnesota Statutes, section 16A.281; and
 30.9 (4) \$50,000 in fiscal year 2016 and \$50,000
 30.10 in fiscal year 2017 are to the Office of MN.IT
 30.11 Services for a consolidated access fund to
 30.12 provide grants to other state agencies related
 30.13 to accessibility of their Web-based services.

30.14 **Subd. 6. Enforcement** 4,340,000 4,211,000

	<u>Appropriations by Fund</u>	
30.15 <u>General</u>	<u>4,142,000</u>	<u>4,013,000.</u>
30.16 <u>Workers'</u>		
30.17 <u>Compensation</u>	<u>198,000</u>	<u>198,000</u>

30.19 \$162,000 in fiscal year 2016 and \$33,000 in
 30.20 fiscal year 2017 are from the general fund
 30.21 for rulemaking and administration under
 30.22 Minnesota Statutes, section 80A.461.

30.23 **Subd. 7. Energy Resources** 39,974,000 41,665,000

	<u>Appropriations by Fund</u>	
30.24 <u>General</u>	<u>6,274,000</u>	<u>7,265,000.</u>
30.25 <u>Special Revenue</u>	<u>33,700,000</u>	<u>34,400,000</u>

30.27 (a) \$22,000,000 in fiscal year 2016 and
 30.28 \$23,000,000 in fiscal year 2017 are from
 30.29 the energy fund account established in
 30.30 Minnesota Statutes, section 116C.779, for the
 30.31 payment of energy rebates and incentives to
 30.32 eligible applicants under Minnesota Statutes,
 30.33 sections 116C.779, subdivision 2, 216C.417,
 30.34 216C.418, and 216C.419, and to reimburse

31.1 the reasonable costs of the Department of
31.2 Commerce to administer those programs.

31.3 (b) \$400,000 in fiscal year 2016 and \$400,000
31.4 in fiscal year 2017 are from the energy fund
31.5 account under Minnesota Statutes, section
31.6 116C.779, for a grant to a Minnesota-based
31.7 nonprofit with demonstrated expertise and
31.8 capability in energy efficiency, energy
31.9 technology research, and conservation
31.10 improvement program delivery to establish
31.11 and operate an energy technology business
31.12 accelerator. The grant recipient must match
31.13 at least \$100,000 of the grant amount each
31.14 year with cash or in-kind contributions. Any
31.15 balance remaining in fiscal year 2016 does
31.16 not cancel, but is available in fiscal year 2017.

31.17 (c) The accelerator established using grant
31.18 funds in paragraph (a) shall identify, research,
31.19 test, evaluate, and incubate innovative energy
31.20 technologies, systems, and platforms that
31.21 may be the basis for new cost-effective
31.22 programs or to improve existing programs
31.23 offered by public, municipal, and cooperative
31.24 utilities subject to Minnesota Statutes,
31.25 section 216B.241. The grant recipient
31.26 shall consult with experts from Minnesota
31.27 utilities, the Department of Commerce, and
31.28 national energy institutions in the selection
31.29 of technologies to be evaluated, and, in order
31.30 to ensure independent evaluation, may not
31.31 accept funds or other consideration from
31.32 technology vendors. The technologies to be
31.33 evaluated may include but are not limited to
31.34 customer engagement platforms, building
31.35 and equipment design, data feedback
31.36 systems, and advanced metering and billing.

32.1 The focus of the accelerator must be on
 32.2 energy technologies, systems, and platforms
 32.3 developed by Minnesota and regionally
 32.4 based companies, to the extent feasible, that
 32.5 improve the efficiency of customer energy
 32.6 use or utility infrastructure.

32.7 (d) \$3,000,000 in fiscal year 2016 and
 32.8 \$4,000,000 in fiscal year 2017 are from the
 32.9 general fund for deposit in the energy fund
 32.10 account established in Minnesota Statutes,
 32.11 section 116C.779.

32.12 (e) \$5,000,000 in fiscal year 2016 and
 32.13 \$5,000,000 in fiscal year 2017 are from
 32.14 the energy fund account established in
 32.15 Minnesota Statutes, section 116C.779, for
 32.16 the payment of rebates to eligible electric
 32.17 vehicle owners under Minnesota Statutes,
 32.18 section 216B.1616.

32.19 (f) \$6,000,000 in fiscal year 2016 and
 32.20 \$6,000,000 in fiscal year 2017 are from the
 32.21 energy fund account established in Minnesota
 32.22 Statutes, section 116C.779, subdivision 1,
 32.23 for the purpose of awarding propane and
 32.24 compressed natural gas vehicle rebates and
 32.25 to pay the reasonable costs incurred by the
 32.26 commissioner of commerce to administer
 32.27 Minnesota Statutes, section 216C.391.

32.28 Subd. 8. Insurance 3,915,000 3,915,000

	<u>Appropriations by Fund</u>						
32.30	<u>General</u>	<u>3,362,000</u>		<u>3,362,000</u>			
32.31	<u>Workers'</u>						
32.32	<u>Compensation</u>	<u>553,000</u>		<u>553,000</u>			

32.33 Subd. 9. Transfers

32.34 (a) \$1,000,000 is transferred to the general
 32.35 fund from the petroleum tank release fund

33.1 before the closing of fiscal year 2016. This
 33.2 is a onetime transfer.

33.3 (b) Notwithstanding Minnesota Statutes,
 33.4 section 216C.416, of the amounts transferred
 33.5 to the solar thermal system rebate account
 33.6 in the special revenue fund in the state
 33.7 treasury in calendar years 2014 and 2015,
 33.8 \$300,000 shall be transferred by July 1,
 33.9 2015, to the commissioner of commerce
 33.10 and are appropriated for the purpose
 33.11 of providing energy conservation and
 33.12 weatherization programs to low-income
 33.13 persons who use propane as a heating
 33.14 fuel. The commissioner of commerce shall
 33.15 disburse the funds transferred in this section
 33.16 in a manner consistent with the requirements
 33.17 of the federal Low-Income Home Energy
 33.18 Assistance Program under United States
 33.19 Code, title 42, sections 8621 to 8630. This
 33.20 is a onetime transfer.

33.21 (c) The remaining balance of the
 33.22 appropriation in Laws 2013, chapter 85,
 33.23 article 1, section 13, subdivision 7, for grants
 33.24 to install renewable energy equipment in
 33.25 households under Minnesota Statutes 2013,
 33.26 section 239.101, that is unobligated and
 33.27 unexpended, and is estimated to be \$61,000,
 33.28 is canceled to the general fund on June 30, 2015.

33.29 (d) \$61,000 in fiscal year 2016 is from the
 33.30 general fund for transfer to the energy fund
 33.31 account established in Minnesota Statutes,
 33.32 section 116C.779.

33.33 <u>Subd. 10. Propane Prepurchase</u>	<u>5,000,000</u>	<u>0</u>
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33.34 (a) \$5,000,000 in fiscal year 2015 and
 33.35 \$5,000,000 in fiscal year 2016 are

34.1 appropriated from the general fund for the
 34.2 purpose of prepurchasing propane under
 34.3 Minnesota Statutes, section 216B.0951.
 34.4 Notwithstanding Minnesota Statutes, section
 34.5 216B.0951, subdivision 1, the commissioner
 34.6 must expend all of the funds before
 34.7 September 1 each year. Propane may not be
 34.8 distributed to customers before October 1
 34.9 each year.

34.10 (b) The commissioner shall reserve
 34.11 \$5,000,000 each year from the federal
 34.12 funds transferred to the state for use in the
 34.13 2015-2016 and 2016-2017 heating seasons
 34.14 under the Low-Income Home Energy
 34.15 Assistance Program and transfer those
 34.16 amounts to the general fund.

34.17 Sec. 10. **PUBLIC UTILITIES COMMISSION** \$ **5,553,000** \$ **5,441,000**

34.18 Sec. 11. **POLLUTION CONTROL AGENCY** \$ **466,000** \$ **470,000**

34.19 \$466,000 in fiscal year 2016 and \$470,000
 34.20 in fiscal year 2017 are from the energy fund
 34.21 account established in Minnesota Statutes,
 34.22 section 116C.779, subdivision 1, for the
 34.23 purposes of completing the plan required
 34.24 under Minnesota Statutes, section 216H.077.
 34.25 This is a onetime appropriation.

34.26 Sec. 12. **DEPARTMENT OF**
 34.27 **ADMINISTRATION** \$ **92,000** \$ **0**

34.28 \$92,000 in fiscal year 2016 is appropriated
 34.29 from the energy fund account established in
 34.30 Minnesota Statutes, section 116C.779, for
 34.31 the purpose of completing the transfer of
 34.32 functions study under article 11.

ARTICLE 2

JOBS AND ECONOMIC DEVELOPMENT

35.1

35.2

35.3 Section 1. Minnesota Statutes 2014, section 116J.431, subdivision 1, is amended to read:

35.4 Subdivision 1. **Grant program established; purpose.** (a) The commissioner
35.5 shall make grants to counties or cities to provide up to 50 percent of the capital costs of
35.6 public infrastructure necessary for an eligible economic development project, unless the
35.7 applicant requests a lesser amount. The county or city receiving a grant must provide for
35.8 the remainder of the costs of the project, either in cash or in kind. In-kind contributions
35.9 may include the value of site preparation other than the public infrastructure needed
35.10 for the project.

35.11 (b) The purpose of the grants made under this section is to keep or enhance jobs in
35.12 the area, increase the tax base, or to expand or create new economic development.

35.13 Sec. 2. Minnesota Statutes 2014, section 116J.431, subdivision 6, is amended to read:

35.14 Subd. 6. **Maximum grant amount.** A county or city may receive no more than
35.15 ~~\$1,000,000~~ \$2,000,000 in two years for one or more projects.

35.16 Sec. 3. **[116J.549] WORKFORCE HOUSING DEVELOPMENT PROGRAM.**

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

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

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

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

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

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

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

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

36.11 Subd. 3. **Application.** The commissioner shall develop forms and procedures to
36.12 solicit and review applications for grants under this section. An eligible project area
36.13 must include in its application information sufficient to verify that it meets the program
36.14 requirements under this section and any additional evidence of the scarcity of workforce
36.15 housing in the area that it considers appropriate or that the commissioner requires.

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

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

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

36.25 (3) fewer than ten market rate residential rental units per 1,000 residents were
36.26 constructed in the city in each of the last ten years; and

36.27 (4) the eligible project area has certified that the grants will be used for qualified
36.28 expenditures for the development of rental housing to serve employees of businesses
36.29 located in the eligible project area or surrounding area.

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

36.32 Subd. 5. **Allocation.** The amount of a grant under this section must not exceed the
36.33 lesser of 25 percent of the qualified expenditures for the project or \$1,000,000.

36.34 Subd. 6. **Report.** By January 15 of the year following the year in which the grant
36.35 was issued, each eligible project area receiving a grant under this section must submit a
36.36 report specifying the projects that received grants under this section and the specific

37.1 purposes for which the grant funds were used to the chairs and ranking minority members
37.2 of the senate and house of representatives committees having jurisdiction over jobs and
37.3 workforce development.

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

37.5 Sec. 4. Minnesota Statutes 2014, section 116J.8738, subdivision 3, is amended to read:

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

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

37.17 (1) satisfies the requirements of subdivision 2;

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

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

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

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

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

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

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

38.5 Sec. 5. Minnesota Statutes 2014, section 116J.8738, is amended by adding a
38.6 subdivision to read:

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

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

38.13 Sec. 6. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

38.14 Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified
38.15 job training program from money appropriated for the purposes of this section as follows:

38.16 (1) a ~~\$9,000~~ \$11,000 placement grant paid to a job training program upon placement
38.17 in employment of a qualified graduate of the program; and

38.18 (2) a ~~\$9,000~~ \$11,000 retention grant paid to a job training program upon retention in
38.19 employment of a qualified graduate of the program for at least one year.

38.20 Sec. 7. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

38.21 Subd. 2. **Qualified job training program.** To qualify for grants under this section,
38.22 a job training program must satisfy the following requirements:

38.23 (1) the program must be operated by a nonprofit corporation that qualifies under
38.24 section 501(c)(3) of the Internal Revenue Code;

38.25 (2) the program must spend ~~at least~~, on average, \$15,000 or more per graduate
38.26 of the program;

38.27 (3) the program must provide education and training in:

38.28 (i) basic skills, such as reading, writing, mathematics, and communications;

38.29 (ii) thinking skills, such as reasoning, creative thinking, decision making, and
38.30 problem solving; and

38.31 (iii) personal qualities, such as responsibility, self-esteem, self-management,
38.32 honesty, and integrity;

39.1 (4) the program ~~must~~ may provide income supplements, when needed, to participants
39.2 for housing, counseling, tuition, and other basic needs;

39.3 (5) the program's education and training course must last for an average of at least
39.4 six months;

39.5 (6) individuals served by the program must:

39.6 (i) be 18 years of age or older;

39.7 (ii) have federal adjusted gross income of no more than ~~\$11,000~~ \$12,000 per year in
39.8 the calendar year immediately before entering the program;

39.9 (iii) have assets of no more than ~~\$7,000~~ \$10,000, excluding the value of a
39.10 homestead; and

39.11 (iv) not have been claimed as a dependent on the federal tax return of another person
39.12 in the previous taxable year; and

39.13 (7) the program must be certified by the commissioner of employment and economic
39.14 development as meeting the requirements of this subdivision.

39.15 Sec. 8. Minnesota Statutes 2014, section 116L.17, subdivision 4, is amended to read:

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

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

39.25 (2) support services, including assistance to help the participant relocate to employ
39.26 existing skills; out-of-area job search assistance; family care assistance, including child
39.27 care; commuting assistance; emergency housing and rental assistance; counseling
39.28 assistance, including personal and financial; health care; emergency health assistance;
39.29 emergency financial assistance; work-related tools and clothing; and other appropriate
39.30 support services that enable a person to participate in an employment and training program
39.31 with the goal of reemployment;

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

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

40.10 (5) incumbent worker training.

40.11 Sec. 9. Minnesota Statutes 2014, section 116L.20, subdivision 1, is amended to read:

40.12 Subdivision 1. **Determination and collection of special assessment.** (a) In addition
40.13 to amounts due from an employer under the Minnesota unemployment insurance program,
40.14 each employer, except an employer making reimbursements is liable for a special
40.15 assessment levied at the rate of ~~10~~ .08 percent per year on all taxable wages, as defined in
40.16 section 268.035, subdivision 24, ~~except that effective July 1, 2009, until June 30, 2011, the~~
40.17 ~~special assessment shall be levied at a rate of .12 percent per year on all taxable wages as~~
40.18 ~~defined in section 268.035, subdivision 24.~~ The assessment shall become due and be paid
40.19 by each employer on the same schedule and in the same manner as other amounts due
40.20 from an employer under section 268.051, subdivision 1.

40.21 (b) The special assessment levied under this section shall be subject to the same
40.22 requirements and collection procedures as any amounts due from an employer under the
40.23 Minnesota unemployment insurance program.

40.24 **EFFECTIVE DATE.** This section is effective July 1, 2017.

40.25 Sec. 10. **[116L.31] DUAL TRAINING COMPETENCY GRANTS.**

40.26 Subdivision 1. **Program created.** The commissioner of employment and economic
40.27 development shall make grants for the training of employees to achieve the competency
40.28 standard for an occupation identified by the commissioner of labor and industry under
40.29 section 175.45 and Laws 2014, chapter 312, article 3, section 21. "Competency standard"
40.30 has the meaning given in section 175.45, subdivision 2.

40.31 Subd. 2. **Eligible grantees.** An employer or an organization representing the
40.32 employer is eligible to apply for a grant to train employees if the employer has employees
40.33 who are in, or are to be trained to be in, an occupation for which a competency standard
40.34 has been identified and the employee has not attained the competency standard prior

41.1 to the commencement of the planned training. Training need not address all aspects
41.2 of a competency standard but may address only the competencies of a standard that an
41.3 employee is lacking. Employees who have previously received a grant under this program
41.4 are not eligible to receive another grant. Each employee must apply for federal Pell and
41.5 state grants as a condition of participating in the program.

41.6 Subd. 3. **Training institution.** (a) Prior to applying for a grant, an employer or an
41.7 organization representing the employer must enter into an agreement with a state college
41.8 or university operated by the Board of Trustees of the Minnesota State Colleges and
41.9 Universities to provide the employee competency standard training.

41.10 (b) For the purposes of this section, "training institution" means an institution
41.11 operated by the Board of Trustees of the Minnesota State Colleges and Universities or an
41.12 institution designated by the chancellor of the Minnesota State Colleges and Universities.

41.13 Subd. 4. **Contract required.** Prior to the start of a training program, an employer
41.14 and employee must enter into a contract detailing the terms of the work relationship during
41.15 and after the training program.

41.16 Subd. 5. **Application.** Applications must be made to the commissioner on a form
41.17 provided by the commissioner. The commissioner must, to the extent possible, make
41.18 the application form short and simple to complete. The commissioner shall establish a
41.19 schedule for applications and grants. The application must include, without limitation:

41.20 (1) the projected number of employee trainees;

41.21 (2) the competency standard for which training will be provided;

41.22 (3) any credential the employee will receive upon completion of training;

41.23 (4) the name and address of the training institution and a signed statement by the
41.24 institution that it is able to and agrees to provide the training;

41.25 (5) the period of the training; and

41.26 (6) the cost of the training charged by the training institution and certified by the
41.27 institution.

41.28 An application may be made for training of employees of multiple employers either by the
41.29 employers or by an organization on their behalf.

41.30 Subd. 6. **Grant criteria.** To the extent there are sufficient applications, the
41.31 commissioner shall award at least an equal dollar amount of grants for training for
41.32 employees whose work site is projected to be outside the metropolitan area as defined
41.33 in section 473.121, subdivision 2, as for employees whose work site is projected to be
41.34 within the metropolitan area. In determining the award of grants, the commissioner must
41.35 consider, among other factors:

42.1 (1) the aggregate state and regional need for employees with the competency to
42.2 be trained;

42.3 (2) the competency standards developed by the commissioner of labor and industry
42.4 as part of the Minnesota PIPELINE Project;

42.5 (3) the per employee cost of training;

42.6 (4) the additional employment opportunities for employees as a result of the training;

42.7 (5) projected increases in compensation for employees receiving the training; and

42.8 (6) the amount of employer training cost match, on both a per employee and
42.9 aggregate basis.

42.10 Subd. 7. **Employer match.** (a) Employers must pay to the training institution a
42.11 percentage of a training institution's charge for the training after subtracting federal Pell
42.12 and state grants for which an employee is eligible. The amount that an employer must pay
42.13 to the training institution shall be determined as follows:

42.14 (1) an employer with greater than or equal to \$50,000,000 in annual revenue in the
42.15 previous calendar year must pay at least 66 percent of the training institution's charge
42.16 for the training;

42.17 (2) an employer with less than \$50,000,000 in annual revenue in the previous
42.18 calendar year but greater than or equal to \$20,000,000 in annual revenue in the previous
42.19 calendar year must pay at least 50 percent of the training institution's charge for the training;

42.20 (3) an employer with less than \$20,000,000 in annual revenue in the previous calendar
42.21 year but greater than or equal to \$10,000,000 in annual revenue in the previous calendar
42.22 year must pay at least 33 percent of the training institution's charge for the training; and

42.23 (4) an employer with less than \$10,000,000 in annual revenue in the previous
42.24 calendar year must pay at least 20 percent of the training institution's charge for the training.

42.25 (b) The match required under this subdivision shall be based solely on the annual
42.26 revenue of the individual employer without regard to any organization representing the
42.27 employer.

42.28 Subd. 8. **Payment of grant.** The commissioner shall make grant payments to the
42.29 training institution in a manner determined by the commissioner after receiving notice
42.30 from the institution that the employer has paid the employer match.

42.31 Subd. 9. **Grant amounts.** (a) The commissioner shall determine a maximum
42.32 amount that may be awarded in a single grant, and a maximum amount that may be
42.33 awarded per employee trained under a grant. The commissioner shall set the maximum
42.34 grant amount at a level that ensures sufficient funding will be available for multiple
42.35 employers. The maximum grant amount per employee trained may not exceed the cost of
42.36 tuition up to 60 credits.

43.1 (b) A grant for a particular employee must be reduced by the amounts of any federal
43.2 Pell grant or state grant the employee is eligible to receive for the training and the amount
43.3 of the employer match.

43.4 Subd. 10. **Reporting.** Commencing in 2017, the commissioner shall annually by
43.5 February 1 report on the activity of the grant program for the preceding fiscal year to the
43.6 chairs of the legislative committees with jurisdiction over workforce policy and finance.

43.7 At a minimum, the report must include:

43.8 (1) research and analysis on the costs and benefits of the grants for employees and
43.9 employers;

43.10 (2) the number of employees who commenced training and the number who
43.11 completed training; and

43.12 (3) recommendations, if any, for changes to the program.

43.13 Sec. 11. **[116L.40] DEFINITIONS.**

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

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

43.18 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment
43.19 and economic development.

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

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

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

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

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

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

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

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

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

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

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

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

44.16 **Sec. 12. [116L.41] COMMISSIONER'S DUTIES AND POWERS;**
44.17 **AGREEMENTS.**

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

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

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

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

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

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

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

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

45.1 (1) determine that sufficient funds for the project are available under section
45.2 116L.42; and

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

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

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

45.12 Subd. 4. **Allocation.** The commissioner shall allocate grant funds under section
45.13 116L.42 to project applications based on a first-come, first-served basis, determined on the
45.14 basis of the commissioner's receipt of a complete application for the project, including the
45.15 provision of all of the required information. The agreement must specify the amount of
45.16 grant funds available to the employer for each year covered by the agreement.

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

45.24 **Sec. 13. [116L.42] JOBS TRAINING GRANTS.**

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

45.27 (1) the amount of program costs specified in the agreement for the project; or
45.28 (2) the amount of program costs paid by the employer for new employees under
45.29 a project.

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

45.32 (1) the amount of grants issued under the program;
45.33 (2) the number of individuals receiving training under the program, including the
45.34 number of new hires who are individuals with disabilities;

46.1 (3) the number of new hires attributable to the program, including the number of
46.2 new hires who are individuals with disabilities;

46.3 (4) an analysis of the effectiveness of the grant in encouraging employment; and

46.4 (5) any other information the commissioner determines appropriate.

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

46.6 Sec. 14. **[116L.65] CUSTOMIZED TRAINING FOR SKILLED**
46.7 **MANUFACTURING INDUSTRIES.**

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

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

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

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

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

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

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

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

47.1 Subd. 3. Skilled manufacturing customized training program employer

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

47.5 (b) The agreement must contain the following:

47.6 (1) the name of the employer;

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

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

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

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

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

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

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

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

47.31 Subd. 4. Skilled manufacturing customized training program participation

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

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

47.36 (1) the name of the employer;

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

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

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

49.6 Sec. 15. Minnesota Statutes 2014, section 116L.98, subdivision 1, is amended to read:

49.7 Subdivision 1. **Requirements.** The commissioner shall develop and implement a
 49.8 uniform outcome measurement and reporting system for adult workforce-related programs
 49.9 funded in whole or in part by ~~the workforce development fund~~; state funds. For the purpose
 49.10 of this section, "workforce-related programs" means all education and training programs
 49.11 administered by the commissioner and includes programs and services administered by the
 49.12 commissioner and provided to individuals enrolled in adult basic education under section
 49.13 124D.52, and the Minnesota family investment program under chapter 256J.

49.14 Sec. 16. Minnesota Statutes 2014, section 116L.98, subdivision 3, is amended to read:

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

49.21 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

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

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

50.7 (13) the total cost of the program;

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

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

50.10 (16) the administrative cost of the program.

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

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

50.16 Sec. 17. Minnesota Statutes 2014, section 116L.98, subdivision 5, is amended to read:

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

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

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

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

50.26 Sec. 18. Minnesota Statutes 2014, section 116L.98, subdivision 7, is amended to read:

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

50.32 (b) The commissioner shall contract with an independent entity to conduct an
50.33 ongoing net impact analysis of the programs included in the net impact pilot project under
50.34 paragraph (a), career pathways programs, and any other programs deemed appropriate

51.1 by the commissioner. The net impact methodology used by the independent entity under
 51.2 this paragraph must be based on the methodology and evaluation design used in the net
 51.3 impact pilot project under paragraph (a).

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

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

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

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

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

51.19 Sec. 19. Minnesota Statutes 2014, section 116M.18, subdivision 4, is amended to read:

51.20 Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans
 51.21 made or guaranteed by nonprofit corporations under the urban challenge grant program.

51.22 (b) Loans or guarantees must be made to businesses that are not likely to undertake
 51.23 a project for which loans are sought without assistance from the urban challenge grant
 51.24 program.

51.25 ~~(c) A loan or guarantee must be used for a project designed to benefit persons in~~
 51.26 ~~low-income areas through the creation of job or business opportunities for them. Priority~~
 51.27 ~~must be given for loans to the lowest income areas.~~

51.28 ~~(d)~~ (c) The minimum state contribution to a loan or guarantee is \$5,000 and the
 51.29 maximum is \$150,000.

51.30 ~~(e)~~ (d) The state contribution must be matched by at least an equal amount of new
 51.31 private investment.

51.32 ~~(f)~~ (e) A loan may not be used for a retail development project.

51.33 ~~(g)~~ (f) The business must agree to work with job referral networks that focus on
 51.34 minority applicants from low-income areas.

52.1 Sec. 20. Minnesota Statutes 2014, section 116M.18, subdivision 8, is amended to read:

52.2 Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a
52.3 challenge grant shall:

52.4 (1) submit an annual report to the board by September 30 of each year that includes a
52.5 description of projects supported by the urban challenge grant program, an account of loans
52.6 made during the calendar year, the program's impact on minority business enterprises and
52.7 job creation for minority persons and low-income persons ~~in low-income areas~~, the source
52.8 and amount of money collected and distributed by the urban challenge grant program, the
52.9 program's assets and liabilities, and an explanation of administrative expenses; and

52.10 (2) provide for an independent annual audit to be performed in accordance with
52.11 generally accepted accounting practices and auditing standards and submit a copy of each
52.12 annual audit report to the board.

52.13 Sec. 21. Minnesota Statutes 2014, section 268A.085, is amended to read:

52.14 **268A.085 COMMUNITY REHABILITATION FACILITY PROVIDER**
52.15 **GOVERNING BOARDS.**

52.16 Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit
52.17 corporation, or combination thereof establishing a ~~rehabilitation facility~~ an extended
52.18 employment program shall appoint a ~~rehabilitation facility~~ governing board of no fewer
52.19 than seven voting members before becoming eligible for the assistance provided by
52.20 sections 268A.06 to 268A.15. When any city, town, or county singly establishes ~~such a~~
52.21 ~~rehabilitation facility~~ an extended employment program, the governing board shall be
52.22 appointed by the chief executive officer of the city or the chair of the governing board
52.23 of the county or town. When any combination of cities, towns, counties, or nonprofit
52.24 corporations establishes a ~~rehabilitation facility~~ an extended employment program, the
52.25 chief executive officers of the cities, nonprofit corporations, and the chairs of the governing
52.26 bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly
52.27 establishes a ~~rehabilitation facility~~ an extended employment program, the corporation
52.28 shall appoint the board of directors. Membership on a board shall be representative of
52.29 the community served and shall include a person with a disability. If a county establishes
52.30 an extended employment program and manages the program with county employees, the
52.31 governing board shall be the county board of commissioners, and other provisions of this
52.32 chapter pertaining to membership on the governing board do not apply.

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

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

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

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

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

53.12 Sec. 22. Minnesota Statutes 2014, section 469.049, is amended to read:

53.13 **469.049 ESTABLISHMENT; CHARACTERISTICS.**

53.14 Subdivision 1. **Saint Paul, Duluth; establishment.** The Port Authority of Saint
53.15 Paul and the seaway port authority of Duluth are established. The Seaway Port Authority
53.16 of Duluth may also be known as the Duluth Seaway Port Authority. The Port Authority of
53.17 Saint Paul may also be known as the Saint Paul Port Authority, and the Saint Paul Port
53.18 Authority may file one or more certificates of assumed name with the secretary of state, as
53.19 provided in sections 333.01 to 333.065.

53.20 Subd. 2. **Public body characteristics.** A port authority is a body politic and
53.21 corporate with the right to sue and be sued in its own name.

53.22 A port authority is a governmental subdivision under section 282.01 and a political
53.23 subdivision.

53.24 A port authority carries out an essential governmental function of the state when it
53.25 exercises its power, but the authority is not immune from liability because of this.

53.26 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
53.27 following timely compliance of the governing body of the Port Authority of Saint Paul, and
53.28 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

53.29 Sec. 23. Minnesota Statutes 2014, section 469.050, subdivision 4, is amended to read:

53.30 Subd. 4. **Term, vacancies.** (a) The first commissioners of a three-member
53.31 commission are appointed for initial terms as follows: one for two years; one for four
53.32 years; and one for six years. The first commissioners of a seven-member commission are
53.33 appointed for initial terms as follows: one member for a term of one, two, three, four, and

54.1 five years, respectively, and two members for terms of six years. For subsequent terms,
 54.2 the term is six years. A vacancy is created in Saint Paul when a city council member of the
 54.3 authority ends council membership and in Duluth when a county board member of the
 54.4 authority ends county board membership. A vacancy on any port authority must be filled
 54.5 by the appointing authority for the balance of the term subject to the same approval and
 54.6 consent, if any, required for an appointment for a full term. For Duluth, if the governor
 54.7 or the county board fails to make a required appointment within 60 days after a vacancy
 54.8 occurs, the city council has sole power to appoint a successor.

54.9 (b) The term of each commissioner of the Saint Paul Port Authority begins August 1
 54.10 of the year in which the commissioner is appointed and ends July 31 of the sixth year.
 54.11 Notwithstanding the end of a term of appointment, a commissioner shall serve until
 54.12 reappointed or a new commissioner has been appointed and taken office.

54.13 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 54.14 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 54.15 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

54.16 Sec. 24. Minnesota Statutes 2014, section 469.084, subdivision 3, is amended to read:

54.17 Subd. 3. **Consent for city land.** The port authority must not take lands owned,
 54.18 controlled, or used by the city of St. Paul without consent of the city council, or owned,
 54.19 controlled, or used by Ramsey County without consent of the county board.

54.20 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 54.21 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 54.22 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

54.23 Sec. 25. Minnesota Statutes 2014, section 469.084, subdivision 4, is amended to read:

54.24 Subd. 4. **Port jurisdiction.** For all other recreation purposes the port authority has
 54.25 jurisdiction over the use of all the navigable rivers or lakes and all the parks and recreation
 54.26 facilities abutting the rivers and lakes within its port district.

54.27 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 54.28 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 54.29 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

54.30 Sec. 26. Minnesota Statutes 2014, section 469.084, subdivision 8, is amended to read:

54.31 Subd. 8. **Relation to industrial development provisions.** Notwithstanding any
 54.32 law to the contrary, the port authority of the city of St. Paul, under sections 469.048 to

55.1 469.068 and this section, may do what a redevelopment agency may do or must do under
 55.2 sections 469.152 to 469.165 to further any of the purposes of sections 469.048 to 469.068
 55.3 and subdivisions 1 to 8. The port authority may use its powers and duties under sections
 55.4 469.048 to 469.068 and subdivisions 1 to 8 to further the purposes of sections 469.152
 55.5 to 469.165. The powers and duties in subdivisions 1 to 8 are in addition to the powers
 55.6 and duties of the port authority under sections 469.048 to 469.068, and under sections
 55.7 469.152 to 469.165. The port authority may use its powers for industrial development or
 55.8 to establish industrial development districts. If the term "industrial" is used in relation to
 55.9 industrial development purposes under sections 469.048 to 469.068, the term includes
 55.10 "economic" and "economic development." The port authority may work with and provide
 55.11 services to any federal or state agency, county, city, or other governmental unit or agency
 55.12 with the written consent of that agency or governmental unit.

55.13 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 55.14 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 55.15 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

55.16 Sec. 27. Minnesota Statutes 2014, section 469.084, subdivision 9, is amended to read:

55.17 Subd. 9. **May join in supplying small business capital.** Notwithstanding any
 55.18 contrary law, the port authority ~~of the city of St. Paul~~ may participate with public or
 55.19 private corporations or other entities, whose purpose is to provide venture capital to small
 55.20 businesses that have facilities located or to be located in the port district. For that purpose
 55.21 the port authority may use not more than ten percent of available annual net income
 55.22 or \$400,000 annually, whichever is less, to acquire or invest in securities of, and enter
 55.23 into financing arrangements and related agreements with, the corporations or entities.
 55.24 The participation by the port authority must not exceed in any year 25 percent of the
 55.25 total amount of funds provided for venture capital purposes by all of the participants.
 55.26 The corporation or entity shall report in writing each month to the commissioners of the
 55.27 port authority all investment and other action taken by it since the last report. Funds
 55.28 contributed to the corporation or entity must be invested pro rata with each contributor of
 55.29 capital taking proportional risks on each investment. As used in this subdivision, the term
 55.30 "small business" has the meaning given it in section 645.445, subdivision 2.

55.31 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 55.32 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 55.33 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

56.1 Sec. 28. Minnesota Statutes 2014, section 469.084, subdivision 10, is amended to read:

56.2 Subd. 10. **Recreation facilities on Mississippi River.** The port authority of the
56.3 ~~city of Saint Paul~~ has jurisdiction over the use of the Mississippi River for recreation
56.4 purposes within its port district and may acquire and may spend port authority money for
56.5 lands abutting the river within the port district to construct, operate directly, by lease or
56.6 otherwise, and maintain recreation facilities. The authority shall establish rules on the
56.7 use of the river and abutting lands, either individually, or in cooperation with the federal
56.8 government or its agencies, Ramsey County, the city of Saint Paul, the state, or a state
56.9 agency, or political subdivision.

56.10 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
56.11 following timely compliance of the governing body of the Port Authority of Saint Paul, and
56.12 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

56.13 Sec. 29. Minnesota Statutes 2014, section 469.084, subdivision 14, is amended to read:

56.14 Subd. 14. **Bond for treasurer and assistant treasurer.** The treasurer and assistant
56.15 treasurer of the port authority of the ~~city of Saint Paul~~ shall give bond to the state in sums
56.16 not to exceed \$25,000 and \$10,000 respectively. The bonds must be conditioned for the
56.17 faithful discharge of their duties. The bonds must be approved as to both form and surety
56.18 by the port authority and must be filed with its secretary. The amount of the bonds must be
56.19 set at least annually by the port authority.

56.20 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
56.21 following timely compliance of the governing body of the Port Authority of Saint Paul, and
56.22 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

56.23 Sec. 30. **SKILLED MANUFACTURING REPORT.**

56.24 The commissioner shall coordinate and monitor customized training programs for
56.25 skilled manufacturing industries at participating MnSCU institutions. By January 15,
56.26 2017, the commissioner, in conjunction with each participating MnSCU institution, shall
56.27 report to the standing committees of the house of representatives and the senate having
56.28 jurisdiction over employment and workforce development. The report must address the
56.29 progress and success of the implementation of a customized training program for skilled
56.30 manufacturing industries at each participating MnSCU institution. The report must
56.31 give recommendations on where a skilled manufacturing customized training program
56.32 should next be implemented, taking into consideration all current and potential skilled
56.33 manufacturing training providers available.

57.1 Sec. 31. **DIRECTION TO COMMISSIONER; LONG-TERM CARE**
 57.2 **WORKFORCE DEVELOPMENT.**

57.3 The commissioner of employment and economic development, in consultation
 57.4 with the commissioner of health, shall review existing workforce development programs
 57.5 in order to further the advancement of long-term care careers in rural Minnesota. The
 57.6 commissioner shall report recommendations regarding training, retaining, and connecting
 57.7 employees to long-term care facilities in rural Minnesota to the chairs and ranking
 57.8 minority members of the legislative committees with jurisdiction over long-term care and
 57.9 workforce development by February 1, 2016.

57.10 Sec. 32. **REPEALER.**

57.11 Minnesota Statutes 2014, sections 116U.26; and 469.084, subdivisions 11 and 12,
 57.12 are repealed.

57.13 **ARTICLE 3**

57.14 **HOUSING**

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

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

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

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

57.33 (3) No manufactured home shall be located closer than three feet to the side lot lines
 57.34 of a manufactured home park, if the abutting property is improved property, or closer than

58.1 ten feet to a public street or alley. Each individual site shall abut or face on a driveway
58.2 or clear unoccupied space of not less than 16 feet in width, which space shall have
58.3 unobstructed access to a public highway or alley. There shall be an open space of at least
58.4 ten feet between the sides of adjacent manufactured homes including their attachments
58.5 and at least three feet between manufactured homes when parked end to end. The space
58.6 between manufactured homes may be used for the parking of motor vehicles and other
58.7 property, ~~if the vehicle or other property is parked at least ten feet from the nearest~~
58.8 ~~adjacent manufactured home position.~~ The requirements of this paragraph shall not apply
58.9 to recreational camping areas and variances may be granted by the state commissioner
58.10 of health in manufactured home parks when the variance is applied for in writing and in
58.11 the opinion of the commissioner the variance will not endanger the health, safety, and
58.12 welfare of manufactured home park occupants.

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

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

58.18 (6) In the case of a manufactured home park with less than ten manufactured homes,
58.19 a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of
58.20 the park in times of severe weather conditions, such as tornadoes, high winds, and floods.
58.21 The shelter or evacuation plan shall be developed with the assistance and approval of
58.22 the municipality where the park is located and shall be posted at conspicuous locations
58.23 throughout the park. The park owner shall provide each resident with a copy of the
58.24 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.
58.25 Nothing in this paragraph requires the Department of Health to review or approve any
58.26 shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan
58.27 submitted by a park shall not be grounds for action against the park by the Department of
58.28 Health if the park has made a good faith effort to develop the plan and obtain municipal
58.29 approval.

58.30 (7) A manufactured home park with ten or more manufactured homes, licensed prior
58.31 to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the
58.32 evacuation of park residents to a safe place of shelter within a reasonable distance of the
58.33 park for use by park residents in times of severe weather, including tornadoes and high
58.34 winds. The shelter or evacuation plan must be approved by the municipality by March 1,
58.35 1989. The municipality may require the park owner to construct a shelter if it determines
58.36 that a safe place of shelter is not available within a reasonable distance from the park. A

59.1 copy of the municipal approval and the plan shall be submitted by the park owner to the
59.2 Department of Health. The park owner shall provide each resident with a copy of the
59.3 approved shelter or evacuation plan, as provided by section 327C.01, subdivision 1c.

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

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

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

59.13 Sec. 2. Minnesota Statutes 2014, section 462A.33, subdivision 1, is amended to read:

59.14 Subdivision 1. **Created.** The economic development and housing challenge
59.15 program is created to be administered by the agency.

59.16 (a) The program shall provide grants or loans for the purpose of construction,
59.17 acquisition, rehabilitation, demolition or removal of existing structures, construction
59.18 financing, permanent financing, interest rate reduction, refinancing, and gap financing of
59.19 housing to support economic development and redevelopment activities or job creation or
59.20 job preservation within a community or region by meeting locally identified housing needs.

59.21 Gap financing is either:

59.22 (1) the difference between the costs of the property, including acquisition, demolition,
59.23 rehabilitation, and construction, and the market value of the property upon sale; or

59.24 (2) the difference between the cost of the property and the amount the targeted
59.25 household can afford for housing, based on industry standards and practices.

59.26 (b) Preference for grants and loans shall be given to comparable proposals that include
59.27 regulatory changes or waivers that result in identifiable cost avoidance or cost reductions,
59.28 such as increased density, flexibility in site development standards, or zoning code
59.29 requirements. Preference must also be given among comparable proposals to proposals
59.30 for projects that are accessible to transportation systems, jobs, schools, and other services.

59.31 (c) If a grant or loan is used for demolition or removal of existing structures, the
59.32 cleared land must be used for the construction of housing to be owned or rented by persons
59.33 who meet the income limits of this section or for other housing-related purposes that
59.34 primarily benefit the persons residing in the adjacent housing. In making selections for
59.35 grants or loans for projects that demolish affordable housing units, the agency must review

60.1 the potential displacement of residents and consider the extent to which displacement of
60.2 residents is minimized.

60.3 (d) Fifty percent of the funds appropriated for this section must be for projects
60.4 located in the metropolitan area, as defined in section 473.121, subdivision 2, and 50
60.5 percent must be for projects outside the metropolitan area, as defined in section 473.121,
60.6 subdivision 2. Funds not awarded in a fiscal year may be carried over and used without
60.7 geographic restriction.

60.8 **EFFECTIVE DATE.** This section is effective August 1, 2017.

60.9 Sec. 3. Minnesota Statutes 2014, section 473.145, is amended to read:

60.10 **473.145 DEVELOPMENT GUIDE.**

60.11 The Metropolitan Council shall prepare and adopt, after appropriate study and
60.12 such public hearings as may be necessary, a comprehensive development guide for the
60.13 metropolitan area. It shall consist of a compilation of policy statements, goals, standards,
60.14 programs, and maps prescribing guides for the orderly and economical development,
60.15 public and private, of the metropolitan area. The comprehensive development guide shall
60.16 recognize and encompass physical, social, or economic needs of the metropolitan area and
60.17 those future developments which will have an impact on the entire area including but not
60.18 limited to such matters as land use, parks and open space land needs, the necessity for
60.19 and location of airports, highways, transit facilities, public hospitals, libraries, schools,
60.20 and other public buildings. Notwithstanding any council action to adopt it, a plan or plan
60.21 element relating to housing does not take effect until a law is enacted approving the plan.

60.22 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
60.23 final enactment and applies to plans adopted before, on, or after that date. This section
60.24 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
60.25 Washington.

60.26 Sec. 4. Minnesota Statutes 2014, section 473.254, subdivision 2, is amended to read:

60.27 Subd. 2. **Affordable, life-cycle goals.** (a) The council shall negotiate with each
60.28 municipality to establish affordable and life-cycle housing goals for that municipality that
60.29 are consistent with and promote the policies of the Metropolitan Council as provided in the
60.30 adopted Metropolitan Development Guide. The council shall adopt, by resolution after a
60.31 public hearing, the negotiated affordable and life-cycle housing goals for each municipality
60.32 by January 15, 1996, and by January 15 in each succeeding year for each municipality
60.33 newly electing to participate in the program or for each municipality with which new

61.1 housing goals have been negotiated. By June 30, 1996, and by June 30 in each succeeding
61.2 year for each municipality newly electing to participate in the program or for each
61.3 municipality with which new housing goals have been negotiated, each municipality shall
61.4 identify to the council the actions it plans to take to meet the established housing goals.

61.5 (b) Beginning in 2016, the negotiated affordable and life-cycle housing goals for
61.6 each municipality must be submitted by January 15 each year to the chairs and ranking
61.7 minority members of the legislative committees with jurisdiction over the Metropolitan
61.8 Council and housing policy and finance, and may be adopted by the council only after a
61.9 law is enacted approving the goals or the legislature has adjourned its regular session for
61.10 that calendar year without taking any action on the matter.

61.11 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
61.12 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
61.13 Scott, and Washington.

61.14 Sec. 5. Minnesota Statutes 2014, section 473.254, subdivision 3a, is amended to read:

61.15 Subd. 3a. **Affordable, life-cycle housing opportunities amount.** (a) Each
61.16 municipality's "affordable and life-cycle housing opportunities amount" for that year
61.17 must be determined annually by the council using the method in this subdivision. The
61.18 affordable and life-cycle housing opportunities amount must be determined for each
61.19 calendar year for all municipalities in the metropolitan area.

61.20 (b) The council must allocate to each municipality its portion of the \$1,000,000 of
61.21 the revenue generated by the levy authorized in section 473.249 which is credited to the
61.22 local housing incentives account pursuant to subdivision 5, paragraph (b). The allocation
61.23 must be made by determining the amount levied for and payable in each municipality in
61.24 the previous calendar year pursuant to the council levy in section 473.249 divided by the
61.25 total amount levied for and payable in the metropolitan area in the previous calendar year
61.26 pursuant to such levy and multiplying that result by \$1,000,000.

61.27 (c) The council must also determine the amount levied for and payable in each
61.28 municipality in the previous calendar year pursuant to the council levy in section 473.253,
61.29 subdivision 1.

61.30 (d) A municipality's affordable and life-cycle housing opportunities amount for the
61.31 calendar year is the sum of the amounts determined under paragraphs (b) and (c).

61.32 (e) The council must report the council's estimated amount under paragraph (d) to
61.33 the chairs and ranking minority members of the legislative committees with jurisdiction
61.34 over the Metropolitan Council and housing policy and finance by March 15 each year. The
61.35 legislature may approve, modify, or reject the amounts the council will use in paragraph (f).

62.1 If no law is enacted to approve, modify, or reject the amounts during the regular legislative
 62.2 session for that calendar year, the council may proceed with its proposed amounts.

62.3 (e) (f) By August 1 of each year, the council must notify each municipality of its
 62.4 affordable and life-cycle housing opportunities amount for the following calendar year
 62.5 determined by the method in this subdivision.

62.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 62.7 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 62.8 Scott, and Washington.

62.9 **ARTICLE 4**

62.10 **LABOR AND INDUSTRY**

62.11 Section 1. Minnesota Statutes 2014, section 79.251, subdivision 1, is amended to read:

62.12 Subdivision 1. **General duties of commissioner.** (a)(1) The commissioner shall
 62.13 have all the usual powers and authorities necessary for the discharge of the commissioner's
 62.14 duties under this section and may contract with individuals in discharge of those duties.
 62.15 The commissioner shall audit the reserves established (i) for individual cases arising under
 62.16 policies and contracts of coverage issued under subdivision 4 and (ii) for the total book
 62.17 of business issued under subdivision 4. If the commissioner determines on the basis of
 62.18 an audit that there is an excess surplus in the assigned risk plan, the commissioner must
 62.19 notify the commissioner of management and budget who shall transfer assets of the plan
 62.20 equal to the excess surplus to the ~~budget reserve account in the general fund~~ assigned risk
 62.21 safety account in the special compensation fund in the state treasury for grants under
 62.22 section 79.253.

62.23 (2) The commissioner shall monitor the operations of section 79.252 and this section
 62.24 and shall periodically make recommendations to the governor and legislature when
 62.25 appropriate, for improvement in the operation of those sections.

62.26 (3) All insurers and self-insurance administrators issuing policies or contracts under
 62.27 subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for
 62.28 policies and contracts of coverage issued under subdivision 4 for the purpose of defraying
 62.29 the costs of performing the duties under clauses (1) and (2). Proceeds of the assessment
 62.30 shall be deposited in the state treasury and credited to the general fund.

62.31 (4) The assigned risk plan shall not be deemed a state agency.

62.32 (5) The commissioner shall monitor and have jurisdiction over all reserves
 62.33 maintained for assigned risk plan losses.

63.1 (b) As used in this subdivision, "excess surplus" means the amount of assigned
 63.2 risk plan assets in excess of the amount needed to pay all current liabilities of the plan,
 63.3 including, but not limited to:

63.4 (1) administrative expenses;

63.5 (2) benefit claims; and

63.6 (3) if the assigned risk plan is dissolved under subdivision 8, the amounts that would
 63.7 be due insurers who have paid assessments to the plan.

63.8 **Sec. 2. [175.45] COMPETENCY STANDARDS FOR DUAL TRAINING.**

63.9 **Subdivision 1. Duties; goal.** The commissioner of labor and industry shall identify
 63.10 competency standards for dual training. The goal of dual training is to provide current
 63.11 employees of an employer with training to acquire competencies that the employer
 63.12 requires. The standards shall be identified for employment in occupations in advanced
 63.13 manufacturing, health care services, information technology, and agriculture. Competency
 63.14 standards are not rules and are exempt from the rulemaking provisions of chapter 14, and
 63.15 the provisions in section 14.386 concerning exempt rules do not apply.

63.16 **Subd. 2. Definition; competency standard.** For purposes of this section,
 63.17 "competency standards" means the specific knowledge and skills necessary for a particular
 63.18 occupation.

63.19 **Subd. 3. Competency standard identification process.** In identifying competency
 63.20 standards, the commissioner shall consult with the commissioner of employment and
 63.21 economic development and convene recognized industry experts, representative employers,
 63.22 higher education institutions, and representatives of labor to assist in identifying credible
 63.23 competency standards. Competency standards must be based on recognized international
 63.24 and national standards, to the extent that such standards are available and practical.

63.25 **Subd. 4. Duties.** The commissioner shall:

63.26 (1) establish competency standards for entry level and higher skill levels;

63.27 (2) verify the competency standards and skill levels and their transferability by
 63.28 subject matter with expert representatives of each respective industry;

63.29 (3) create and execute a plan for dual training outreach, development, and awareness;

63.30 (4) develop models for Minnesota educational institutions to engage in providing
 63.31 education and training to meet the competency standards established;

63.32 (5) encourage participation by employers in the standard identification process for
 63.33 occupations in their industry; and

63.34 (6) align dual training competency standards with other workforce initiatives.

64.1 Subd. 5. **Notification.** The commissioner must communicate identified competency
64.2 standards to the commissioner of employment and economic development for the purpose
64.3 of the dual training competency grant program under section 116L.31. The commissioner
64.4 of labor and industry shall maintain the competency standards on the department's Web site.

64.5 Sec. 3. Minnesota Statutes 2014, section 177.24, subdivision 1, is amended to read:

64.6 Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in
64.7 this paragraph have the meanings given them.

64.8 (1) "Large employer" means an enterprise whose annual gross volume of sales
64.9 made or business done is not less than \$500,000 (exclusive of excise taxes at the retail
64.10 level that are separately stated) and covered by the Minnesota Fair Labor Standards Act,
64.11 sections 177.21 to 177.35.

64.12 (2) "Small employer" means an enterprise whose annual gross volume of sales made
64.13 or business done is less than \$500,000 (exclusive of excise taxes at the retail level that
64.14 are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections
64.15 177.21 to 177.35.

64.16 (b) Except as otherwise provided in sections 177.21 to 177.35:

64.17 (1) every large employer must pay each employee wages at a rate of at least:

64.18 (i) \$8.00 per hour beginning August 1, 2014;

64.19 (ii) \$9.00 per hour beginning August 1, 2015;

64.20 (iii) \$9.50 per hour beginning August 1, 2016; and

64.21 (iv) the rate established under paragraph (f) beginning January 1, 2018; and

64.22 (2) every small employer must pay each employee at a rate of at least:

64.23 (i) \$6.50 per hour beginning August 1, 2014;

64.24 (ii) \$7.25 per hour beginning August 1, 2015;

64.25 (iii) \$7.75 per hour beginning August 1, 2016; and

64.26 (iv) the rate established under paragraph (f) beginning January 1, 2018.

64.27 (c) Notwithstanding paragraph (b), during the first 90 consecutive days of
64.28 employment, an employer may pay an employee under the age of 20 years a wage of at least:

64.29 (1) \$6.50 per hour beginning August 1, 2014;

64.30 (2) \$7.25 per hour beginning August 1, 2015;

64.31 (3) \$7.75 per hour beginning August 1, 2016; and

64.32 (4) the rate established under paragraph (f) beginning January 1, 2018.

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

65.1 ~~(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging~~
 65.2 ~~establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15,~~
 65.3 ~~subdivisions 7, 8, and 11, must pay an employee working under a contract with the~~
 65.4 ~~employer that includes the provision by the employer of a food or lodging benefit, if the~~
 65.5 ~~employee is working under authority of a summer work travel exchange visitor program~~
 65.6 ~~(f) nonimmigrant visa, a wage of at least:~~

65.7 ~~(1) \$7.25 per hour beginning August 1, 2014;~~

65.8 ~~(2) \$7.50 per hour beginning August 1, 2015;~~

65.9 ~~(3) \$7.75 per hour beginning August 1, 2016; and~~

65.10 ~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

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

65.14 ~~(e) (d) Notwithstanding paragraph (b), a large employer must pay an employee under~~
 65.15 ~~the age of 18 at a rate of at least:~~

65.16 ~~(1) \$6.50 per hour beginning August 1, 2014;~~

65.17 ~~(2) \$7.25 per hour beginning August 1, 2015;~~

65.18 ~~(3) \$7.75 per hour beginning August 1, 2016; and~~

65.19 ~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

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

65.23 ~~(e) Notwithstanding paragraph (b), every employer must pay an employee receiving~~
 65.24 ~~gratuities a wage of at least:~~

65.25 ~~(1) \$8.00 per hour if the employee earns sufficient gratuities during the workweek~~
 65.26 ~~so that the sum of \$8.00 per hour and gratuities received averages at least \$12.00 per~~
 65.27 ~~hour for the workweek; or~~

65.28 ~~(2) the greater of the wage rate under this section or United States Code, title 29,~~
 65.29 ~~section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek~~
 65.30 ~~so that the sum of \$8.00 per hour and gratuities received averages at least \$12.00 per~~
 65.31 ~~hour for the workweek.~~

65.32 ~~For the purposes of this section, "employee receiving gratuities" means an employee who~~
 65.33 ~~customarily and regularly receives more than \$30 per month in gratuities. The employer~~
 65.34 ~~must inform a potential employee who may receive gratuities, during the employment~~
 65.35 ~~interview, of the applicable wage under this paragraph. The employer must provide the~~

66.1 potential employee with a written copy of the wages required under this paragraph and
66.2 the potential employee shall initial the form indicating he or she has received the notice.
66.3 A copy of the signed notice must be kept on file by the employer. If the Minnesota
66.4 Department of Human Rights makes three or more probable cause determinations of
66.5 sexual harassment as defined in section 363A.03, subdivision 43, regarding a single
66.6 employer, this paragraph no longer applies to that employer and the employer must pay all
66.7 employees the otherwise applicable minimum wage under this section.

66.8 (f) No later than August 31 of each year, beginning in 2017, the commissioner shall
66.9 determine the percentage increase in the rate of inflation, as measured by the implicit
66.10 price deflator, national data for personal consumption expenditures as determined by
66.11 the United States Department of Commerce, Bureau of Economic Analysis during the
66.12 12-month period immediately preceding that August or, if that data is unavailable, during
66.13 the most recent 12-month period for which data is available. The minimum wage rates in
66.14 paragraphs (b), (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded
66.15 to the nearest cent; or (2) the percentage calculated by the commissioner, rounded to the
66.16 nearest cent. A minimum wage rate shall not be reduced under this paragraph. The new
66.17 minimum wage rates determined under this paragraph take effect on the next January 1.

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

66.34 (2) The commissioner may in a year subsequent to issuing an order under clause (1),
66.35 make a supplemental increase in the minimum wage rate in addition to the increase for
66.36 a year calculated under paragraph (f). The supplemental increase may be in an amount

67.1 up to the full amount of the increase not put into effect because of the order. If the
67.2 supplemental increase is not the full amount, the commissioner may make a supplemental
67.3 increase of the difference, or any part of a difference, in a subsequent year until the full
67.4 amount of the increase ordered not to take effect has been included in a supplemental
67.5 increase. In making a determination to award a supplemental increase under this clause,
67.6 the commissioner shall use the same considerations and use the same process as for an
67.7 order under clause (1). A supplemental wage increase is not subject to and shall not be
67.8 considered in determining whether a wage rate increase exceeds the limits for annual wage
67.9 rate increases allowed under paragraph (f).

67.10 Sec. 4. Minnesota Statutes 2014, section 177.24, is amended by adding a subdivision
67.11 to read:

67.12 Subd. 3a. **Gratuities; credit cards or charges.** (a) Gratuities presented to an
67.13 employee via inclusion on a debit, charge, or credit card shall be credited to that pay
67.14 period in which they are received by the employee and for which they appear on the
67.15 employee's tip statement.

67.16 (b) Where a gratuity is given by a customer through a debit, charge, or credit card,
67.17 the full amount of gratuity must be allowed the employee.

67.18 Sec. 5. Minnesota Statutes 2014, section 177.24, is amended by adding a subdivision
67.19 to read:

67.20 Subd. 6. **Uniform state minimum wage; local variation prohibited.** (a) Except as
67.21 provided in this subdivision, a local unit of government may not require the payment of a
67.22 minimum wage that is different than the minimum wage set by this section.

67.23 (b) This subdivision does not apply to wages paid:

67.24 (1) to an employee of the local unit of government;

67.25 (2) for services provided by an individual to the local unit of government under a
67.26 contract or subcontract with the local unit of government; and

67.27 (3) for services provided by an individual that are funded in whole or part by
67.28 financial assistance from the local unit of government.

67.29 (c) For the purpose of this subdivision, "local unit of government" means a statutory
67.30 or home rule charter city, town, county, Metropolitan Council, Metropolitan Airports
67.31 Commission, other metropolitan agencies, and other political subdivisions.

67.32 **EFFECTIVE DATE.** This section is effective the day following final enactment
67.33 and applies to a local unit of government requirement that was established before, on, or
67.34 after that date.

68.1 Sec. 6. [181.741] LOCAL GOVERNMENT; UNIFORMITY OF PRIVATE
68.2 EMPLOYER BENEFIT MANDATES.

68.3 (a) A local unit of government may not establish, mandate, or otherwise require a
68.4 private employer to provide an employee who is employed within the jurisdiction of
68.5 the local unit of government a benefit that exceeds the requirements of federal or state
68.6 law, rules, or regulations.

68.7 (b) This section does not apply to benefits paid or granted:

68.8 (1) to an employee of the local unit of government;

68.9 (2) under a contract or subcontract for services provided by an individual to the
68.10 local unit of government; or

68.11 (3) under a contract for services provided by an individual that are funded in whole
68.12 or in part by financial assistance from the local unit of government.

68.13 (c) For purposes of this section, "local unit of government" must be broadly
68.14 construed and includes, without limitation, a statutory or home rule charter city, town,
68.15 county, Metropolitan Council, Metropolitan Airports Commission, other metropolitan
68.16 agencies, and other political subdivisions.

68.17 (d) For purposes of this section, the term "benefit" must be broadly construed
68.18 and includes, without limitation, attendance or leave policy, scheduling policy, term of
68.19 employment, paid or unpaid leave, any monetary or nonmonetary compensation.

68.20 **EFFECTIVE DATE.** This section is effective the day following final enactment
68.21 and applies to a local unit of government mandate or requirement that was established
68.22 before, on, or after that date.

68.23 Sec. 7. Minnesota Statutes 2014, section 326B.092, subdivision 7, is amended to read:

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

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

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

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

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

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

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

69.16 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
 69.17 326B.93, then a board fee must be included in the license fee and the renewal license fee.
 69.18 The board fee for all license classifications shall be: \$4 if the license duration is one year;
 69.19 \$8 if the license duration is two years; ~~and \$12 if the license duration is three years.~~

69.20 (f) If the application is for the renewal of a license issued under sections 326B.802
 69.21 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
 69.22 subdivision 3, and any additional assessment required under section 326B.89, subdivision
 69.23 16, must be included in the license renewal fee.

69.24 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 69.25 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>

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

69.35 Sec. 8. Minnesota Statutes 2014, section 326B.096, is amended to read:

69.36 **326B.096 REINSTATEMENT OF LICENSES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

71.3 Sec. 9. Minnesota Statutes 2014, section 326B.106, subdivision 1, is amended to read:

71.4 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and
71.5 sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation
71.6 with the Construction Codes Advisory Council establish a code of standards for the
71.7 construction, reconstruction, alteration, and repair of buildings, governing matters of
71.8 structural materials, design and construction, fire protection, health, sanitation, and safety,
71.9 including design and construction standards regarding heat loss control, illumination,
71.10 and climate control. The code must also include duties and responsibilities for code
71.11 administration, including procedures for administrative action, penalties, and suspension
71.12 and revocation of certification. The code must conform insofar as practicable to model
71.13 building codes generally accepted and in use throughout the United States, including a
71.14 code for building conservation. In the preparation of the code, consideration must be
71.15 given to the existing statewide specialty codes presently in use in the state. Model codes
71.16 with necessary modifications and statewide specialty codes may be adopted by reference.
71.17 The code must be based on the application of scientific principles, approved tests, and
71.18 professional judgment. To the extent possible, the code must be adopted in terms of
71.19 desired results instead of the means of achieving those results, avoiding wherever possible
71.20 the incorporation of specifications of particular methods or materials. To that end the code
71.21 must encourage the use of new methods and new materials. Except as otherwise provided
71.22 in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the
71.23 provisions of those sections.

71.24 (b) The commissioner shall develop rules addressing the plan review fee assessed
71.25 to similar buildings without significant modifications including provisions for use of
71.26 building systems as specified in the industrial/modular program specified in section
71.27 326B.194. Additional plan review fees associated with similar plans must be based on
71.28 costs commensurate with the direct and indirect costs of the service.

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

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

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

72.11 Sec. 10. Minnesota Statutes 2014, section 326B.118, is amended to read:

72.12 **326B.118 ENERGY CODE.**

72.13 (a) The commissioner, in consultation with the Construction Codes Advisory
 72.14 Council, shall explore and review the availability and appropriateness of any model energy
 72.15 codes related to the construction of single one- and two-family residential buildings. In
 72.16 consultation with the council, the commissioner shall take steps to adopt the chosen code
 72.17 with all necessary and appropriate amendments.

72.18 (b) The commissioner may not adopt all or part of a model energy code relating to
 72.19 the construction of residential buildings without research and analysis that addresses,
 72.20 at a minimum, air quality, building durability, moisture, enforcement, enforceability
 72.21 cost benefit, and liability. The research and analysis must be completed in cooperation
 72.22 with practitioners in residential construction and building science and an affirmative
 72.23 recommendation by the Construction Codes Advisory Council.

72.24 (c) The commissioner must adopt an energy rating index performance path providing
 72.25 a range of options for compliance with the 2012 International Energy Conservation Code
 72.26 (IECC). Compliance with the index performance path constitutes compliance with IECC
 72.27 2012 requirements.

72.28 Sec. 11. Minnesota Statutes 2014, section 326B.13, subdivision 8, is amended to read:

72.29 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is
 72.30 effective ~~180~~ 270 days after publication of the rule's notice of adoption in the State Register.
 72.31 The rule may provide for a later effective date. The rule may provide for an earlier effective
 72.32 date if the commissioner ~~or board~~ proposing the rule finds that an earlier effective date is
 72.33 necessary to protect public health and safety after considering, among other things, the need

73.1 for time for training of individuals to comply with and enforce the rule. The commissioner
 73.2 must publish an electronic version of the entire adopted rule chapter on the department's
 73.3 Web site within ten days of receipt from the revisor of statutes. The commissioner shall
 73.4 clearly indicate the effective date of the rule on the department's Web site.

73.5 Sec. 12. Minnesota Statutes 2014, section 326B.986, subdivision 5, is amended to read:

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

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

73.9 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
 73.10 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
 73.11 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
 73.12 license; and

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

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

73.19 Sec. 13. Minnesota Statutes 2014, section 326B.986, subdivision 8, is amended to read:

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

73.25 (b) All initial certificates of competency shall be effective for more than one calendar
 73.26 year and shall expire on December 31 of the year after the year in which the application
 73.27 is made. ~~The commissioner shall in a manner determined by the commissioner, without~~
 73.28 ~~the need for any rulemaking under chapter 14, phase in the renewal of certificates of~~
 73.29 ~~competency from one calendar year to two calendar years. By June 30, 2011,~~

73.30 (c) All renewed certificates of competency shall be valid for two calendar years. The
 73.31 fee for renewal of the state of Minnesota certificate of competency is \$35 for one year or
 73.32 \$70 for two years, and is due the day after the certificate expires.

73.33 **EFFECTIVE DATE.** The amendments to paragraphs (a) and (c) are effective July
 73.34 1, 2015, and expire July 1, 2017.

74.1 Sec. 14. Minnesota Statutes 2014, section 341.321, is amended to read:

74.2 **341.321 FEE SCHEDULE.**

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

- 74.5 (1) referees, \$80 ~~for each initial license and each renewal~~;
- 74.6 (2) promoters, \$700 ~~for each initial license and each renewal~~;
- 74.7 (3) judges and knockdown judges, \$80 ~~for each initial license and each renewal~~;
- 74.8 (4) trainers and seconds, \$80 ~~for each initial license and each renewal~~;
- 74.9 (5) ring announcers, \$80 ~~for each initial license and each renewal~~;
- 74.10 ~~(6) seconds, \$80 for each initial license and each renewal~~;
- 74.11 ~~(7) (6) timekeepers, \$80 for each initial license and each renewal~~;
- 74.12 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal~~ \$70;
- 74.13 (8) amateur combatants, \$50;
- 74.14 (9) managers, \$80 ~~for each initial license and each renewal~~; and
- 74.15 (10) ringside physicians, \$80 ~~for each initial license and each renewal~~.

74.16 In addition to the license fee ~~and the late filing penalty fee in section 341.32, subdivision~~
74.17 ~~2, if applicable~~, an individual who applies for a professional license ~~on the same day~~
74.18 within the 48 hours preceding when the combative sporting event is held shall pay a late
74.19 fee of \$100 plus the original license fee ~~of \$120 at the time the application is submitted~~.

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

- 74.21 ~~(1) referees, \$80 for each initial license and each renewal~~;
- 74.22 ~~(2) promoters, \$700 for each initial license and each renewal~~;
- 74.23 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal~~;
- 74.24 ~~(4) trainers, \$80 for each initial license and each renewal~~;
- 74.25 ~~(5) ring announcers, \$80 for each initial license and each renewal~~;
- 74.26 ~~(6) seconds, \$80 for each initial license and each renewal~~;
- 74.27 ~~(7) timekeepers, \$80 for each initial license and each renewal~~;
- 74.28 ~~(8) combatant, \$60 for each initial license and each renewal~~;
- 74.29 ~~(9) managers, \$80 for each initial license and each renewal~~; and
- 74.30 ~~(10) ringside physicians, \$80 for each initial license and each renewal~~.

74.31 ~~(e)~~ (b) The commissioner shall establish a contest fee for each combative sport
74.32 contest and shall consider the size and type of venue when establishing a contest fee. The
74.33 professional combative sport contest fee is \$1,500 per event or not more than four percent
74.34 of the gross ticket sales, whichever is greater, as determined by the commissioner when
74.35 the combative sport contest is scheduled. The amateur combative sport contest fee shall
74.36 be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.

75.1 ~~The commissioner shall consider the size and type of venue when establishing a contest~~
75.2 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~
75.3 ~~allowed for each event by rule.~~

75.4 (c) A professional or amateur combative sport contest fee is nonrefundable; and
75.5 shall be paid as follows:

75.6 (1) \$500 at the time the combative sport contest is scheduled; and

75.7 (2) \$1,000 at the weigh-in prior to the contest.

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

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

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

75.14 Sec. 15. Laws 2014, chapter 312, article 2, section 14, is amended to read:

75.15 Sec. 14. **ASSIGNED RISK TRANSFER.**

75.16 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of
75.17 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
75.18 Statutes, section 79.252, the commissioner of management and budget shall transfer
75.19 the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This
75.20 transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision
75.21 1, paragraph (a), clause (1). This is a onetime transfer.

75.22 (b) By June 30, 2015, ~~and each year thereafter,~~ if the commissioner of commerce
75.23 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
75.24 created under Minnesota Statutes, section 79.252, the commissioner of management and
75.25 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 ~~each~~
75.26 ~~year,~~ to the Minnesota minerals 21st century fund under Minnesota Statutes, section
75.27 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section
75.28 79.251, subdivision 1, paragraph (a), clause (1), but after the transfer authorized in
75.29 paragraph (a). ~~The total amount authorized for all transfers under this paragraph must not~~
75.30 ~~exceed \$24,100,000. This paragraph expires the day following the transfer in which the~~
75.31 ~~total amount transferred under this paragraph to the Minnesota minerals 21st century~~
75.32 ~~fund equals \$24,100,000.~~

75.33 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of
75.34 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
75.35 Statutes, section 79.252, the commissioner of management and budget shall transfer the

76.1 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
 76.2 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
 76.3 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If
 76.4 a transfer occurs under this paragraph, the amount transferred is appropriated from the
 76.5 general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes
 76.6 of section 15. Both the transfer and appropriation under this paragraph are onetime.

76.7 ~~(d) By June 30, 2016, if the commissioner of commerce determines on the basis of~~
 76.8 ~~an audit that there is an excess surplus in the assigned risk plan created under Minnesota~~
 76.9 ~~Statutes, section 79.252, the commissioner of management and budget shall transfer the~~
 76.10 ~~amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer~~
 76.11 ~~occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,~~
 76.12 ~~paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If~~
 76.13 ~~a transfer occurs under this paragraph, the amount transferred is appropriated from the~~
 76.14 ~~general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes~~
 76.15 ~~of section 15. Both the transfer and appropriation under this paragraph are onetime.~~

76.16 ~~(e) (d) By July 1, 2015, notwithstanding Minnesota Statutes, section 16A.28, the~~
 76.17 ~~commissioner of management and budget shall transfer to the assigned risk plan under~~
 76.18 ~~Minnesota Statutes, section 79.252, general fund any unencumbered or unexpended~~
 76.19 ~~balance of the appropriations appropriation under paragraphs paragraph (c) and (d)~~
 76.20 ~~remaining on June 30, 2017 2015, or the date the commissioner of commerce determines~~
 76.21 ~~that an excess surplus in the assigned risk plan does not exist, whichever occurs earlier.~~

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

76.23 Sec. 16. **REPEALER.**

76.24 Minnesota Statutes 2014, section 177.24, subdivision 2, Laws 2014, chapter 312,
 76.25 article 2, section 15, and Minnesota Rules, part 5205.0580, subpart 21, are repealed.

76.26 **ARTICLE 5**

76.27 **COMMERCE**

76.28 Section 1. Minnesota Statutes 2014, section 45.0135, subdivision 6, is amended to read:

76.29 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention
 76.30 account is created in the state treasury. Money received from assessments under subdivision
 76.31 7 and from the automobile theft prevention account in section 297I.11, subdivision 2, and
 76.32 transferred from the automobile theft prevention account in section 65B.84, subdivision 1,

77.1 is deposited in the account. Money in this fund is appropriated to the commissioner of
77.2 commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

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

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

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

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

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

77.11 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained
77.12 exceeds \$5,000;

77.13 (2) \$10,000 if the funds or value of the property or services wrongfully obtained
77.14 exceeds \$1,000, but not more than \$5,000;

77.15 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is
77.16 more than \$500, but not more than \$1,000; and

77.17 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is
77.18 less than \$500.

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

77.23 (d) This section does not affect a person's right to seek recovery against any person
77.24 that commits insurance fraud.

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

77.27 (f) Hearings under this subdivision must be conducted in accordance with chapter
77.28 14 and any other applicable law.

77.29 (g) All revenues from penalties, expenses, costs, fees, and interest collected under
77.30 this section shall be deposited in the insurance fraud prevention account under section
77.31 45.0135, subdivision 6.

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

77.33 (a) This chapter does not apply to:

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

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

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

78.6 (b) Guaranteed asset protection waivers regulated under this chapter are not
78.7 insurance and are not subject to chapters 60A to 79A. Persons selling, soliciting, or
78.8 negotiating guaranteed asset protection waivers to borrowers in compliance with this
78.9 chapter are exempt for chapter 60K.

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

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

78.13 Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions
78.14 2 to 10 have the meanings given them.

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

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

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

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

78.22 (2) the lessor in a lease transaction;

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

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

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

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

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

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

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

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

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

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

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

79.15 **Sec. 6. [59D.04] GUARANTEED ASSET PROTECTION WAIVER**
79.16 **REQUIREMENTS.**

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

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

79.21 Subd. 3. **Certain costs not considered finance charge or interest.** Notwithstanding
79.22 any other provision of law, any cost to the borrower for a guaranteed asset protection
79.23 waiver entered into in compliance with United States Code, title 15, sections 1601 to
79.24 1667F, and its implementing regulations under Code of Federal Regulations, title 12, part
79.25 226, as they may be amended from time to time, must be separately stated and is not to
79.26 be considered a finance charge or interest.

79.27 Subd. 4. **Insurance.** A retail seller must insure its GAP waiver obligations under a
79.28 contractual liability or other insurance policy issued by an insurer. A creditor, other than a
79.29 retail seller, may insure its GAP waiver obligations under a contractual liability policy or
79.30 other such policy issued by an insurer. The insurance policy may be directly obtained by a
79.31 creditor or retail seller, or may be procured by an administrator to cover a creditor's or
79.32 retail seller's obligations. Retail sellers that are lessors on motor vehicles are not required
79.33 to insure obligations related to GAP waivers on leased vehicles.

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

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

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

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

80.14 Subd. 9. **Defined terms.** The terms defined in section 59D.01 are not intended to
80.15 provide actual terms that are required in guaranteed asset protection waivers.

80.16 **Sec. 7. [59D.05] CONTRACTUAL LIABILITY OR OTHER INSURANCE**
80.17 **POLICIES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

82.6 (b) In the event of a borrower's cancellation of the GAP waiver or early termination
82.7 of the finance agreement, after the agreement has been in effect beyond the free-look
82.8 period, the borrower may be entitled to a refund of any unearned portion of the purchase
82.9 price of the waiver unless the waiver provides otherwise. In order to receive a refund,
82.10 the borrower, in accordance with any applicable terms of the waiver, must provide a
82.11 written request to the creditor, administrator, or other party. If such a request is being
82.12 made because of the termination of the finance agreement, notice must be provided to
82.13 the creditor, administrator, or other party within 90 days of the occurrence of the event
82.14 terminating the finance agreement.

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

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

82.22 Sec. 10. Minnesota Statutes 2014, section 65B.44, is amended by adding a subdivision
82.23 to read:

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

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

82.31 Sec. 11. Minnesota Statutes 2014, section 65B.84, subdivision 1, is amended to read:

82.32 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a)
82.33 The commissioner of commerce shall:

83.1 (1) develop and sponsor the implementation of statewide plans, programs, and
83.2 strategies to combat automobile theft, improve the administration of the automobile theft
83.3 laws, and provide a forum for identification of critical problems for those persons dealing
83.4 with automobile theft;

83.5 (2) coordinate the development, adoption, and implementation of plans, programs,
83.6 and strategies relating to interagency and intergovernmental cooperation with respect
83.7 to automobile theft enforcement;

83.8 (3) annually audit the plans and programs that have been funded in whole or in part
83.9 to evaluate the effectiveness of the plans and programs and withdraw funding should the
83.10 commissioner determine that a plan or program is ineffective or is no longer in need
83.11 of further financial support from the fund;

83.12 (4) develop a plan of operation including:

83.13 (i) an assessment of the scope of the problem of automobile theft, including areas
83.14 of the state where the problem is greatest;

83.15 (ii) an analysis of various methods of combating the problem of automobile theft;

83.16 (iii) a plan for providing financial support to combat automobile theft;

83.17 (iv) a plan for eliminating car hijacking; and

83.18 (v) an estimate of the funds required to implement the plan; and

83.19 (5) distribute money, in consultation with the commissioner of public safety,
83.20 pursuant to subdivision 3 from the automobile theft prevention special revenue account
83.21 for automobile theft prevention activities, including:

83.22 (i) paying the administrative costs of the program;

83.23 (ii) providing financial support to the State Patrol and local law enforcement
83.24 agencies for automobile theft enforcement teams;

83.25 (iii) providing financial support to state or local law enforcement agencies for
83.26 programs designed to reduce the incidence of automobile theft and for improved
83.27 equipment and techniques for responding to automobile thefts;

83.28 (iv) providing financial support to local prosecutors for programs designed to reduce
83.29 the incidence of automobile theft;

83.30 (v) providing financial support to judicial agencies for programs designed to reduce
83.31 the incidence of automobile theft;

83.32 (vi) providing financial support for neighborhood or community organizations or
83.33 business organizations for programs designed to reduce the incidence of automobile
83.34 theft and to educate people about the common methods of automobile theft, the models
83.35 of automobiles most likely to be stolen, and the times and places automobile theft is
83.36 most likely to occur; and

84.1 (vii) providing financial support for automobile theft educational and training
84.2 programs for state and local law enforcement officials, driver and vehicle services exam
84.3 and inspections staff, and members of the judiciary.

84.4 (b) The commissioner may not spend in any fiscal year more than ten percent
84.5 of the money in the fund for the program's administrative and operating costs. The
84.6 commissioner is annually appropriated and must distribute the amount of the proceeds
84.7 credited to the automobile theft prevention special revenue account each year, less the
84.8 transfer of \$1,300,000 each year to the ~~general fund~~ insurance fraud prevention account
84.9 described in section 297I.11, subdivision 2.

84.10 (c) At the end of each fiscal year, the commissioner may transfer any unobligated
84.11 balances in the auto theft prevention account to the insurance fraud prevention account
84.12 under section 45.0135, subdivision 6.

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

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

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

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

84.20 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
84.21 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
84.22 230.147, of the entity's assets were located in Minnesota;

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

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

84.33 (5) the entity is not:

84.34 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
84.35 securities, except that the entity may hold securities of one class in an entity that is not

85.1 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
85.2 securities; or

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

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

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

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

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

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

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

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

85.21 Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following
85.22 requirements:

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

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

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

85.30 (4) the MNvest issuer shall require the portal operator to provide or make available
85.31 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
85.32 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
85.33 was in existence. For offerings beginning more than 90 days after the issuer's most recent
85.34 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
85.35 MNvest issuer must provide or make available a balance sheet as of a date not more than
85.36 90 days before the commencement of the MNvest offering for the MNvest issuer's most

86.1 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
86.2 during that period, and the year-to-date period, or inception-to-date period, if shorter,
86.3 corresponding with the more recent balance sheet required by this clause;

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

86.7 (i) \$5,000,000 if the financial statements described in clause (4) have been:

86.8 (A) audited by a certified public accountant firm licensed under chapter 326A using
86.9 auditing standards issued by either the American Institute of Certified Public Accountants
86.10 or the Public Company Oversight Board; or

86.11 (B) reviewed by a certified public accountant firm licensed under chapter 326A
86.12 using the Statements on Standards for Accounting and Review Services issued by the
86.13 Accounting and Review Services Committee of the American Institute of Certified Public
86.14 Accountants; or

86.15 (ii) \$2,000,000 if the financial statements described in clause (4) have not been
86.16 audited or reviewed as described in item (i);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

88.1 Subd. 4. Required disclosures to prospective MNvest offering purchasers.

88.2 The MNvest issuer shall require the portal operator to make available to the prospective
88.3 purchaser through the MNvest portal a printable or downloadable disclosure document
88.4 containing the following:

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

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

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

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

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

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

88.22 (7) the terms and conditions of the securities being offered, a description of investor
88.23 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
88.24 maximum amount of securities being offered; either the percentage economic ownership
88.25 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
88.26 applicable, maximum number of securities being offered is sold, or the valuation of the
88.27 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
88.28 interest of the securities being offered; any restrictions on transfer of the securities being
88.29 offered; and a disclosure that any future issuance of securities might dilute the value of
88.30 securities being offered;

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

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

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

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

89.9 (12) the following legend must be displayed conspicuously in the disclosure
89.10 document:

89.11 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
89.12 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
89.13 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
89.14 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
89.15 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
89.16 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
89.17 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
89.18 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
89.19 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
89.20 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
89.21 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
89.22 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
89.23 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
89.24 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
89.25 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD
89.26 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
89.27 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

89.28 Subd. 5. **Required certification from MNvest offering purchasers.** Before
89.29 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
89.30 shall require the portal operator to obtain from the prospective purchaser through the
89.31 applicable MNvest portal a written or electronic certification that includes, at a minimum,
89.32 the following statements:

89.33 "I UNDERSTAND AND ACKNOWLEDGE THAT:

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

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

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

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

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

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

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

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

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

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

90.23 (A) I am a Minnesota resident;

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

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

90.33 (D) if I choose to invest in any securities or investment opportunity listed on this
90.34 Web site, I understand that the securities I will acquire may be difficult to transfer or sell,
90.35 that there is no ready market for the sale of such securities, that it may be difficult or

91.1 impossible for me to sell or otherwise dispose of this investment at any price, and that,
91.2 accordingly, I may be required to hold this investment indefinitely; and

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

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

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

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

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

91.11 (b) A portal operator's registration expires 12 months from the date the administrator
91.12 has approved the entity as a portal operator, and subsequent registration for the succeeding
91.13 12-month period shall be issued upon written application and upon payment of a renewal
91.14 fee of \$200, without filing of further statements or furnishing any further information,
91.15 unless specifically requested by the administrator. This section is not applicable to a
91.16 registered broker-dealer functioning as a portal operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

92.15 (3) the records required to be kept and preserved under this subdivision must be
92.16 maintained in a manner, including by any electronic storage media, that will permit the
92.17 immediate location of any particular document so long as such records are available for
92.18 immediate and complete access by representatives of the administrator. Any electronic
92.19 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
92.20 format; verify automatically the quality and accuracy of the storage media recording
92.21 process; serialize the original and, if applicable, duplicate units storage media, and
92.22 time-date for the required period of retention the information placed on such electronic
92.23 storage media; and be able to download indexes and records preserved on electronic
92.24 storage media to an acceptable medium. In the event that a records retention system
92.25 commingles records required to be kept under this subdivision with records not required to
92.26 be kept, representatives of the administrator may review all commingled records; and

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

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

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

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

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

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

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

93.7 Subd. 9. **Bad actor disqualification.** (a) An exemption under this section is not
 93.8 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
 93.9 issuer; any affiliated issuer; any director, executive officer, other officer participating in
 93.10 the MNvest offering, general partner, or managing member of the MNvest issuer; any
 93.11 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
 93.12 securities, calculated on the basis of voting power; any promoter connected with the
 93.13 MNvest issuer in any capacity at the time of the sale; any investment manager of an
 93.14 issuer that is a pooled investment fund; any general partner or managing member of any
 93.15 investment manager; or any director, executive officer, or other officer participating in
 93.16 the offering of any investment manager or general partner or managing member of the
 93.17 investment manager:

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

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

93.21 (ii) involving the making of any false filing with the Securities and Exchange
 93.22 Commission or a state agency; or

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

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

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

93.29 (ii) involving the making of any false filing with the Securities and Exchange
 93.30 Commission; or

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

93.33 (3) is subject to a final order of a state securities commission or an agency or officer
 93.34 of a state performing like functions; a state authority that supervises or examines banks,
 93.35 savings associations, or credit unions; a state insurance commission or an agency or
 93.36 officer of a state performing like functions; an appropriate federal banking agency; the

94.1 United States Commodity Futures Trading Commission; or the National Credit Union

94.2 Administration that:

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

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

94.6 (B) engaging in the business of securities, insurance, or banking; or

94.7 (C) engaging in savings association or credit union activities; or

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

94.10 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
94.11 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
94.12 15, section 78 o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
94.13 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:

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

94.16 (ii) places limitations on the activities, functions, or operations of the person; or

94.17 (iii) bars the person from being associated with any entity or from participating in
94.18 the offering of any penny stock;

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

94.22 (i) any scienter-based antifraud provision of the federal securities laws, including
94.23 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
94.24 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
94.25 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
94.26 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
94.27 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
94.28 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

94.29 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;

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

94.34 (7) has filed as a registrant or issuer, or was named as an underwriter in, any
94.35 registrations statement or Regulation A offering statement filed with the Securities and
94.36 Exchange Commission that, within five years before the sale, was the subject of a refusal

95.1 order, stop order, or order suspending the Regulation A exemption, or is, at the time of
95.2 the sale, the subject of an investigation or proceeding to determine whether a stop order
95.3 or suspension order should be issued; or

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

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

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

95.12 (2) upon a showing of good cause and without prejudice to any other action by
95.13 the Securities and Exchange Commission, if the Securities and Exchange Commission
95.14 determines that it is not necessary under the circumstances that an exemption be denied;

95.15 (3) if, before the relevant offering, the court of regulatory authority that entered the
95.16 relevant order, judgment, or decree advises in writing, whether contained in the relevant
95.17 judgment, order, or decree or separately to the Securities and Exchange Commission or
95.18 its staff, that disqualification under paragraph (a) should not arise as a consequence of
95.19 the order, judgment, or decree; or

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

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

95.24 (1) in control of the issuer; or

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

95.27 Sec. 13. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
95.28 to read:

95.29 Subd. 9. **Voice over Internet Protocol service.** "Voice over Internet Protocol
95.30 service" or "VoIP service" means any service that (1) enables real-time two-way voice
95.31 communications that originate from or terminate at the user's location in Internet protocol
95.32 or any successor protocol, and (2) permits users generally to receive calls that originate
95.33 on the public switched telephone network and terminate calls to the public switched
95.34 telephone network.

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

96.1 Sec. 14. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
96.2 to read:

96.3 Subd. 10. **Internet Protocol-enabled service.** "Internet Protocol-enabled service"
96.4 or "IP-enabled service" means any service, capability, functionality, or application
96.5 provided using Internet protocol, or any successor protocol, that enables an end user to
96.6 send or receive a communication in Internet protocol format or any successor format,
96.7 regardless of whether that communication is voice, data, or video.

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

96.9 Sec. 15. **[237.037] VOICE OVER INTERNET PROTOCOL SERVICE AND**
96.10 **INTERNET PROTOCOL-ENABLED SERVICE.**

96.11 Subdivision 1. **Regulation prohibited.** Except as provided in this section, no
96.12 state agency, including the commission and the Department of Commerce, or political
96.13 subdivision of this state shall by rule, order, or other means directly or indirectly regulate
96.14 the entry, rates, terms, quality of service, availability, classification, or any other aspect of
96.15 VoIP service or IP-enabled service.

96.16 Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service
96.17 is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard
96.18 to the collection and remittance of the surcharges governed by those sections.

96.19 (b) A provider of VoIP service must comply with the requirements of chapter 403
96.20 applicable to the provision of access to 911 service by service providers, except to the
96.21 extent those requirements conflict with federal requirements for the provision of 911
96.22 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP
96.23 provider is entitled to the benefit of the limitation of liability provisions of section 403.07,
96.24 subdivision 5. Beginning June 1, 2015, and continuing each June 1 thereafter, each VoIP
96.25 provider shall file a plan with the commission describing how it will comply with the
96.26 requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider
96.27 shall file with the commission either an update of the plan or a statement certifying that
96.28 the plan and personnel contact information previously filed is still current.

96.29 Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands,
96.30 or otherwise affects or modifies:

96.31 (1) the commission's authority under the Federal Communications Act of 1934,
96.32 United States Code, title 47, sections 251 and 252;

96.33 (2) any applicable wholesale tariff or any commission authority related to wholesale
96.34 services;

97.1 (3) any commission jurisdiction over (i) intrastate switched access rates, terms,
 97.2 and conditions, including the implementation of federal law with respect to intercarrier
 97.3 compensation, or (ii) existing commission authority to address or affect the resolution of
 97.4 disputes regarding intercarrier compensation;

97.5 (4) the rights of any entity, or the authority of the commission and local government
 97.6 authorities, with respect to the use and regulation of public rights-of-way under sections
 97.7 237.162 and 237.163; or

97.8 (5) the establishment or enforcement of standards, requirements or procedures in
 97.9 procurement policies, internal operational policies, or work rules of any state agency or
 97.10 political subdivision of the state relating to the protection of intellectual property.

97.11 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are
 97.12 not regulated under this chapter:

97.13 (1) video services provided by a cable communications system, as defined in section
 97.14 238.02, subdivision 3; or

97.15 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

97.16 (3) any other IP-enabled video service.

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

97.18 Sec. 16. Minnesota Statutes 2014, section 297I.11, subdivision 2, is amended to read:

97.19 Subd. 2. **Automobile theft prevention account.** A special revenue account in
 97.20 the state treasury shall be credited with the proceeds of the surcharge imposed under
 97.21 subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to
 97.22 the ~~general fund~~ insurance fraud prevention account under section 45.0135, subdivision 6.
 97.23 Revenues in excess of \$1,300,000 each year may be used only for the automobile theft
 97.24 prevention program described in section 65B.84.

97.25 Sec. 17. Minnesota Statutes 2014, section 345.42, subdivision 1, is amended to read:

97.26 Subdivision 1. **Commissioner's duty.** (a) Within the calendar year next following
 97.27 the year in which abandoned property has been paid or delivered to the commissioner,
 97.28 the commissioner shall provide public notice of the abandoned property in the manner
 97.29 described in subdivision 1a, and frequency otherwise as the commissioner determines to
 97.30 be most effective and efficient in communicating to the persons appearing to be owners of
 97.31 this property. ~~Public notice may include the use of print, broadcast, or electronic media.~~
 97.32 The commissioner shall, at a minimum, expend 15 percent of the funds allocated by
 97.33 the legislature to the operations of the unclaimed property division, to comply with the

98.1 public notice requirements of this ~~subdivision~~ section, and shall report to the legislature
98.2 annually on how those funds are expended.

98.3 Sec. 18. Minnesota Statutes 2014, section 345.42, is amended by adding a subdivision
98.4 to read:

98.5 Subd. 1a. **Public notice.** (a) Public notice provided by the commissioner shall
98.6 include the following:

98.7 (1) posting on the Department of Commerce's Web site a list of all persons appearing
98.8 to be owners of abandoned property. The list shall be arranged in alphabetical order by
98.9 the last name of the person, and further organized by county. The list of persons must be
98.10 updated at least three times per year and must remain on the Department of Commerce's
98.11 Web site at all times;

98.12 (2) publication in a qualified newspaper a list of persons appearing to be owners of
98.13 abandoned property having a value of \$500 or more. The list shall be published in the
98.14 largest circulation qualified newspaper in each county, and shall include the names of all
98.15 persons whose last known address is within the county. The list must be published at least
98.16 once per year. The commissioner may stagger publication of the entire list of owners by
98.17 publishing a partial list at least twice, but no more than three times per year. Each qualified
98.18 newspaper that publishes the list shall, at no additional charge to the commissioner, also
98.19 post the list on its Web site or on a central Web site that can be accessed directly from the
98.20 qualified newspaper's Web site. The list must be accessible on the Web site for not less
98.21 than 180 days, and at no cost to the public. The qualified newspaper must include in its
98.22 publication of the list a reference to its Web site or a central Web site; and

98.23 (3) dissemination of information to persons appearing to be owners of abandoned
98.24 property through other means and media, including broadcast media, the Internet, and
98.25 social media.

98.26 (b) Beginning July 1, 2016, and annually thereafter, the commissioner shall
98.27 provide to each member of the legislature a list of all persons appearing to be owners of
98.28 abandoned property whose last known address is located in the legislator's respective
98.29 legislative district.

98.30 Sec. 19. **[609.613] ACCIDENT VICTIM SOLICITATION.**

98.31 (a) A person who contacts an individual to offer professional or commercial services
98.32 with knowledge that the individual has been involved in a motor vehicle accident must not:

98.33 (1) provide any fraudulent, false, deceptive, or misleading information; or

99.1 (2) offer, directly or indirectly, any inducement to use the professional or commercial
99.2 services, including but not limited to the provision of any free service, cash, gift cards,
99.3 cash equivalents, promotional items, entry into a sweepstakes, or any other thing of value.

99.4 (b) The disclosure by a licensed attorney that legal representation may be undertaken
99.5 on a contingency fee basis does not constitute an inducement to use the professional
99.6 or commercial services under this section.

99.7 **Sec. 20. USE OF VENDOR TO FACILITATE RETURN OF ABANDONED**
99.8 **PROPERTY.**

99.9 The commissioner shall, using a request for proposal process, contract with a vendor
99.10 who will facilitate the return of abandoned property to owners. As consideration for
99.11 such services the vendor shall receive up to seven percent of the value of the abandoned
99.12 property, not to exceed \$500,000, when such abandoned property is returned to its owner.
99.13 This consideration shall not be paid from the abandoned property itself. A vendor may not
99.14 assess any fees, charges, or costs to the owner of the abandoned property.

99.15 **Sec. 21. REPORT ON UNCLAIMED PROPERTY DIVISION.**

99.16 The commissioner shall report by February 15, 2016, to the chairs and ranking
99.17 minority members of the standing committees of the house of representatives and senate
99.18 having jurisdiction over commerce issues, regarding the process owners of abandoned
99.19 property must comply with in order to file an allowed claim under Minnesota Statutes,
99.20 chapter 345, and the effectiveness of the vendor used by the commissioner to facilitate the
99.21 return of the abandoned property. The report shall include:

99.22 (1) information regarding the documentation and identification necessary for owners
99.23 of each type of abandoned property under Minnesota Statutes, chapter 345, to file an
99.24 allowed claim; and

99.25 (2) a review of the methods and effectiveness of the vendor in returning abandoned
99.26 property under Minnesota Statutes, chapter 345, to the owner.

99.27 **Sec. 22. REPEALER.**

99.28 Minnesota Statutes 2014, sections 80G.01; 80G.02; 80G.03; 80G.04; 80G.05;
99.29 80G.06; 80G.07; 80G.08; 80G.09; and 80G.10, are repealed.

99.30 **ARTICLE 6**

99.31 **UNEMPLOYMENT INSURANCE**

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

100.1 Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks
100.2 beginning the date a benefit account is effective. For a benefit account established
100.3 effective any January 1, April 1, July 1, or October 1, ~~or January 2, 2000, or October 2,~~
100.4 ~~2011~~, the benefit year will be a period of 53 calendar weeks.

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

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

100.7 Subd. 21b. **Preponderance of the evidence.** "Preponderance of the evidence"
100.8 means evidence in substantiation support of a fact that, ~~when weighed against the evidence~~
100.9 ~~opposing the fact~~, is more convincing and has a greater probability of truth than the
100.10 evidence opposing the fact.

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

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

100.13 Subd. 26. **Unemployed.** An applicant is considered "unemployed" (~~±~~) in any week
100.14 that:

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

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

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

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

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

100.22 (1) that have been actually paid; or

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

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

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

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

101.1 Sec. 5. Minnesota Statutes 2014, section 268.051, is amended by adding a subdivision
101.2 to read:

101.3 Subd. 2a. **Unemployment insurance tax reduction.** (a) If the balance in the trust
101.4 fund on December 31 of any calendar year exceeds the average high cost multiple of 0.9,
101.5 future unemployment taxes payable must be reduced by all amounts above 0.9. The
101.6 amount of tax reduction for any taxpaying employer is the same percentage of the total
101.7 amount above 0.9 as the percentage of taxes paid by nonmaximum experience rated
101.8 employers for the prior calendar year.

101.9 (b) This subdivision only applies if the balance in the trust fund on December 31 is
101.10 four percent or more above the average high cost multiple of 0.9.

101.11 (c) For the purposes of this subdivision, "average high cost multiple" has the same
101.12 meaning as given in Code of Federal Regulations, title 20, section 606.3, as amended
101.13 through the effective date of this section.

101.14 (d) This subdivision does not apply to employers that are at the maximum experience
101.15 rating for the calendar year, nor to high experience rating industry employers under section
101.16 268.051, subdivision 5, paragraph (b). Computations under paragraph (a) are not subject
101.17 to the rounding requirement of section 268.034. The refund provisions of section 268.057,
101.18 subdivision 7, do not apply. Computations under paragraph (a) are based upon taxes paid
101.19 on or before February 15 of the calendar year.

101.20 (e) The unemployment tax reduction under this subdivision applies to taxes paid
101.21 between March 1 and December 15 of the year following the December 31 calculation
101.22 under paragraph (a).

101.23 Sec. 6. Minnesota Statutes 2014, section 268.051, subdivision 7, is amended to read:

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

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

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

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

102.4 Sec. 7. Minnesota Statutes 2014, section 268.07, subdivision 2, is amended to read:

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

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

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

102.21 Sec. 8. Minnesota Statutes 2014, section 268.07, subdivision 3b, is amended to read:

102.22 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
102.23 unemployment benefits is effective the Sunday of the calendar week that the application
102.24 was filed. An application for unemployment benefits may be backdated one calendar week
102.25 before the Sunday of the week the application was actually filed if the applicant requests
102.26 the backdating at the time the application is filed. An application may be backdated only
102.27 if the applicant was unemployed during the period of the backdating. If an individual
102.28 attempted to file an application for unemployment benefits, but was prevented from filing
102.29 an application by the department, the application is effective the Sunday of the calendar
102.30 week the individual first attempted to file an application.

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

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

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

103.3 (2) a new application for unemployment benefits is filed and a new benefit account is
103.4 established at the time of the withdrawal.

103.5 A determination or amended determination of eligibility or ineligibility issued under
103.6 section 268.101, that was sent before the withdrawal of the benefit account, remains in
103.7 effect and is not voided by the withdrawal of the benefit account.

103.8 (d) An application for unemployment benefits is not allowed before the Sunday
103.9 following the expiration of the benefit year on a prior benefit account. Except as allowed
103.10 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
103.11 weeks. This paragraph applies to benefit accounts established under any federal law or
103.12 the law of any other state.

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

103.14 Sec. 9. Minnesota Statutes 2014, section 268.085, subdivision 1, is amended to read:

103.15 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
103.16 unemployment benefits for any week if:

103.17 (1) the applicant has filed a continued request for unemployment benefits for that
103.18 week under section 268.0865;

103.19 (2) the week for which unemployment benefits are requested is in the applicant's
103.20 benefit year;

103.21 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

103.22 (4) the applicant was available for suitable employment as defined in subdivision

103.23 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
103.24 day the applicant is unavailable for suitable employment. This clause does not apply to
103.25 an applicant who is in reemployment assistance training, or each day the applicant is on
103.26 jury duty or serving as an election judge;

103.27 (5) the applicant was actively seeking suitable employment as defined in subdivision
103.28 16. This clause does not apply to an applicant who is in reemployment assistance training
103.29 or who was on jury duty throughout the week;

103.30 (6) the applicant has served a nonpayable period of one week that the applicant is
103.31 otherwise entitled to some amount of unemployment benefits. This clause does not apply
103.32 if the applicant would have been entitled to federal disaster unemployment assistance
103.33 because of a disaster in Minnesota, but for the applicant's establishment of a benefit
103.34 account under section 268.07; and

104.1 (7) the applicant has been participating in reemployment assistance services, such as
104.2 ~~job development of, and adherence to, a work search and resume writing classes plan~~, if
104.3 the applicant has been ~~determined in need of reemployment assistance services~~ directed
104.4 to participate by the commissioner, ~~unless~~. This clause does not apply if the applicant
104.5 has good cause for failing to participate.

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

104.7 Sec. 10. Minnesota Statutes 2014, section 268.085, subdivision 2, is amended to read:

104.8 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
104.9 any week:

104.10 (1) that occurs before the effective date of a benefit account;

104.11 (2) that the applicant, at the beginning of the week, has an outstanding fraud
104.12 overpayment balance under section 268.18, subdivision 2, including any penalties and
104.13 interest;

104.14 (3) that occurs in a period when the applicant is a student in attendance at, or on
104.15 vacation from a secondary school including the period between academic years or terms;

104.16 (4) that the applicant is incarcerated or performing court-ordered community service.
104.17 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
104.18 the applicant is incarcerated or performing court-ordered community service;

104.19 (5) that the applicant fails or refuses to provide information on an issue of
104.20 ineligibility required under section 268.101;

104.21 (6) that the applicant is performing services 32 hours or more, in employment,
104.22 covered employment, noncovered employment, volunteer work, or self-employment
104.23 regardless of the amount of any earnings; or

104.24 (7) with respect to which the applicant ~~is receiving, has received, or has filed an~~
104.25 application for unemployment benefits under any federal law or the law of any other
104.26 state. If the appropriate agency finally determines that the applicant is not entitled to ~~the~~
104.27 ~~unemployment benefits~~ establish a benefit account under federal law of the law of any
104.28 other state, this clause does not apply.

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

104.30 Sec. 11. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

104.31 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
104.32 unemployment benefits according to subdivision 10 except when:

105.1 (1) the applicant quit the employment because of a good reason caused by the
105.2 employer as defined in subdivision 3;

105.3 (2) the applicant quit the employment to accept other covered employment that
105.4 provided substantially equal to or better terms and conditions of employment, but
105.5 the applicant did not work long enough at the second employment to have sufficient
105.6 subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed
105.7 under subdivision 10 for quitting the first employment;

105.8 (3) the applicant quit the employment within 30 calendar days of beginning the
105.9 employment because the employment was unsuitable for the applicant;

105.10 (4) the employment was unsuitable for the applicant and the applicant quit to enter
105.11 reemployment assistance training;

105.12 (5) the employment was part time and the applicant also had full-time employment
105.13 in the base period, from which full-time employment the applicant separated because of
105.14 reasons for which the applicant ~~was held~~ is not to be ineligible, and the wage credits from
105.15 the full-time employment are sufficient to meet the minimum requirements to establish a
105.16 benefit account under section 268.07;

105.17 (6) the applicant quit because the employer notified the applicant that the applicant
105.18 was going to be laid off because of lack of work within 30 calendar days. An applicant
105.19 who quit employment within 30 calendar days of a notified date of layoff because of lack
105.20 of work is ineligible for unemployment benefits through the end of the week that includes
105.21 the scheduled date of layoff;

105.22 (7) the applicant quit the employment (i) because the applicant's serious illness or
105.23 injury made it medically necessary that the applicant quit; or (ii) in order to provide
105.24 necessary care because of the illness, injury, or disability of an immediate family member
105.25 of the applicant. This exception only applies if the applicant informs the employer of
105.26 the medical problem and requests accommodation and no reasonable accommodation
105.27 is made available.

105.28 If the applicant's serious illness is chemical dependency, this exception does not
105.29 apply if the applicant was previously diagnosed as chemically dependent or had treatment
105.30 for chemical dependency, and since that diagnosis or treatment has failed to make
105.31 consistent efforts to control the chemical dependency.

105.32 This exception raises an issue of the applicant's being available for suitable
105.33 employment under section 268.085, subdivision 1, that the commissioner must determine;

105.34 (8) the applicant's loss of child care for the applicant's minor child caused the
105.35 applicant to quit the employment, provided the applicant made reasonable effort to obtain

106.1 other child care and requested time off or other accommodation from the employer and no
106.2 reasonable accommodation is available.

106.3 This exception raises an issue of the applicant's being available for suitable
106.4 employment under section 268.085, subdivision 1, that the commissioner must determine;

106.5 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
106.6 applicant or an immediate family member of the applicant, necessitated the applicant's
106.7 quitting the employment.

106.8 For purposes of this subdivision:

106.9 (i) "domestic abuse" has the meaning given in section 518B.01;

106.10 (ii) "sexual assault" means an act that would constitute a violation of sections
106.11 609.342 to 609.3453 or 609.352; and

106.12 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

106.13 (10) the applicant quit in order to relocate to accompany a spouse whose job location
106.14 changed making it impractical for the applicant to commute. This exception only applies
106.15 if the spouse's job is in the military or provides total wages and other compensation that
106.16 is equal to or better than the applicant's employment. When determining if total wages
106.17 and compensation are equal to or better than the applicant's employment, differences in
106.18 cost of living must be considered.

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

106.20 Sec. 12. Minnesota Statutes 2014, section 268.095, subdivision 10, is amended to read:

106.21 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
106.22 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
106.23 unemployment and until the end of the calendar week that the applicant had total wages
106.24 paid for actual work performed in subsequent covered employment sufficient to meet
106.25 one-half of the requirements of section 268.07, subdivision 2, paragraph (a).

106.26 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
106.27 week that the applicant became separated from employment.

106.28 (c) In addition to paragraph (a), if the applicant was discharged from employment
106.29 because of aggravated employment misconduct, wage credits from that employment are
106.30 canceled and cannot be used for purposes of a benefit account under section 268.07,
106.31 subdivision 2.

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

106.33 Sec. 13. Minnesota Statutes 2014, section 268.105, subdivision 3, is amended to read:

107.1 Subd. 3. **Withdrawal of an appeal.** (a) ~~Any~~ An appeal that is pending before
107.2 an unemployment law judge may be withdrawn by the appealing ~~person~~ party, or an
107.3 authorized representative of that ~~person~~ party, ~~upon~~ by filing of a notice of withdrawal. A
107.4 notice of withdrawal may be filed by mail or by electronic transmission.

107.5 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless
107.6 an unemployment law judge directs that further ~~adjudication is~~ proceedings are required
107.7 for a proper result. An order of dismissal issued as a result of a notice of withdrawal is
107.8 not subject to reconsideration or appeal.

107.9 (c) ~~A notice of withdrawal may be filed by mail or by electronic transmission.~~ A
107.10 party may file a new appeal after the order of dismissal, but the original 20-calendar-day
107.11 period for appeal begins from the date of issuance of the determination and that time
107.12 period is not suspended or restarted by the notice of withdrawal and order of dismissal.
107.13 The new appeal may only be filed by mail or facsimile transmission.

107.14 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
107.15 filed under subdivision 2.

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

107.17 Sec. 14. Minnesota Statutes 2014, section 268.105, subdivision 7, is amended to read:

107.18 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ
107.19 of certiorari to the department, review the unemployment law judge's decision on
107.20 reconsideration, provided a petition for the writ is filed with the court and a copy is served
107.21 upon the unemployment law judge or the commissioner and any other party within 30
107.22 calendar days of the sending of the unemployment law judge's decision on reconsideration
107.23 under subdivision 2. Three days are added to the 30-calendar-day period if the decision on
107.24 reconsideration was mailed to the parties.

107.25 (b) Any employer petitioning for a writ of certiorari must pay to the court the
107.26 required filing fee in accordance with the Rules of Civil Appellate Procedure. If the
107.27 employer requests a written transcript of the testimony received at the hearing conducted
107.28 under subdivision 1, the employer must pay to the department the cost of preparing the
107.29 transcript. That money is credited to the administration account.

107.30 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a
107.31 result of an applicant's petition, the department must furnish to the applicant at no cost a
107.32 written transcript of any testimony received at the hearing conducted under subdivision 1,
107.33 and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is
107.34 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

108.1 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment
108.2 law judge or remand the case for further proceedings; or it may reverse or modify the
108.3 decision if the substantial rights of the petitioner may have been prejudiced because the
108.4 findings, inferences, conclusion, or decision are:

108.5 (1) in violation of constitutional provisions;

108.6 (2) in excess of the statutory authority or jurisdiction of the department;

108.7 (3) made upon unlawful procedure;

108.8 (4) affected by other error of law;

108.9 (5) unsupported by substantial evidence in view of the entire record as submitted; or

108.10 (6) arbitrary or capricious.

108.11 (e) The department is considered the primary responding party to any judicial action
108.12 involving an unemployment law judge's decision. The department may be represented by
108.13 an attorney licensed to practice law in Minnesota who is an employee of the department.

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

108.15 Sec. 15. Minnesota Statutes 2014, section 268.136, subdivision 1, is amended to read:

108.16 Subdivision 1. **Shared work plan requirements.** An employer may submit a
108.17 proposed shared work plan for an employee group to the commissioner for approval in a
108.18 manner and format set by the commissioner. The proposed shared work plan must include:

108.19 (1) a certified statement that the normal weekly hours of work of all of the proposed
108.20 participating employees were full time or regular part time but are now reduced, or will be
108.21 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

108.22 (2) the name and Social Security number of each participating employee;

108.23 (3) the number of layoffs that would have occurred absent the employer's ability to
108.24 participate in a shared work plan;

108.25 (4) a certified statement that each participating employee was first hired by the
108.26 employer at least one year before the proposed shared work plan is submitted and is not a
108.27 seasonal, temporary, or intermittent worker;

108.28 (5) the hours of work each participating employee will work each week for the
108.29 duration of the shared work plan, which must be at least 50 percent of the normal weekly
108.30 hours but no more than ~~90~~ 80 percent of the normal weekly hours, except that the plan
108.31 may provide for a uniform vacation shutdown of up to two weeks;

108.32 (6) a certified statement that any health benefits and pension benefits provided by
108.33 the employer to participating employees will continue to be provided under the same
108.34 terms and conditions as though the participating employees' hours of work each week had
108.35 not been reduced;

109.1 (7) a certified statement that the terms and implementation of the shared work plan is
109.2 consistent with the employer's obligations under state and federal law;

109.3 (8) an acknowledgement that the employer understands that unemployment benefits
109.4 paid under a shared work plan will be used in computing the future tax rate of a taxpaying
109.5 employer or charged to the reimbursable account of a nonprofit or government employer;

109.6 (9) the proposed duration of the shared work plan, which must be at least two months
109.7 and not more than one year, although a plan may be extended for up to an additional
109.8 year upon approval of the commissioner;

109.9 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
109.10 proposed shared work plan is submitted; and

109.11 (11) a signature of an owner or officer of the employer who is listed as an owner or
109.12 officer on the employer's account under section 268.045.

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

109.14 Sec. 16. Minnesota Statutes 2014, section 268.194, subdivision 1, is amended to read:

109.15 Subdivision 1. **Establishment.** There is established as a special state trust fund,
109.16 separate and apart from all other public money or funds of this state, an unemployment
109.17 insurance trust fund, that is administered by the commissioner exclusively for the payment
109.18 of unemployment benefits. This trust fund consists of:

109.19 (1) all taxes collected;

109.20 (2) interest earned upon any money in the trust fund;

109.21 (3) reimbursements paid by nonprofit organizations and the state and political
109.22 subdivisions;

109.23 (4) tax rate buydown payments under section 268.051, subdivision 7;

109.24 (5) any money received as a loan from the federal unemployment trust fund in
109.25 accordance with United States Code, title 42, section 1321, of the Social Security Act;

109.26 (6) any other money received under a reciprocal unemployment benefit arrangement
109.27 with the federal government or any other state;

109.28 (7) money recovered on overpaid unemployment benefits ~~except, if allowed by~~
109.29 ~~federal law, five percent of any recovered amount is credited to the administration account;~~

109.30 (8) all money credited to the account under this chapter;

109.31 (9) all money credited to the account of Minnesota in the federal unemployment
109.32 trust fund under United States Code, title 42, section 1103, of the Social Security Act,
109.33 also known as the Reed Act; and

109.34 (10) all money received for the trust fund from any other source.

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

110.2 Sec. 17. **ADDITIONAL UNEMPLOYMENT INSURANCE TAX REDUCTION.**

110.3 Notwithstanding any other law, on December 31, 2015, future unemployment taxes
110.4 payable must be reduced by \$200,000,000 in addition to any reduction under section
110.5 268.051, subdivision 2a. This tax reduction must be distributed among employers using
110.6 the same method as prescribed for tax reductions under section 268.051, subdivision 2a.

110.7 **ARTICLE 7**

110.8 **DELIVERED FUELS**

110.9 Section 1. Minnesota Statutes 2014, section 216B.02, is amended by adding a
110.10 subdivision to read:

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

110.13 Sec. 2. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision
110.14 to read:

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

110.17 Sec. 3. Minnesota Statutes 2014, section 216B.02, is amended by adding a subdivision
110.18 to read:

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

110.23 Sec. 4. Minnesota Statutes 2014, section 216B.2421, subdivision 2, is amended to read:

110.24 Subd. 2. **Large energy facility.** "Large energy facility" means:

110.25 (1) any electric power generating plant or combination of plants at a single site with
110.26 a combined capacity of 50,000 kilowatts or more and transmission lines directly associated
110.27 with the plant that are necessary to interconnect the plant to the transmission system;

110.28 (2) any high-voltage transmission line with a capacity of 200 kilovolts or more and
110.29 greater than 1,500 feet in length;

110.30 (3) any high-voltage transmission line with a capacity of 100 kilovolts or more with
110.31 more than ten miles of its length in Minnesota or that crosses a state line;

111.1 (4) any pipeline greater than six inches in diameter and having more than 50 miles of
 111.2 its length in Minnesota used for the transportation of coal, crude petroleum or petroleum
 111.3 fuels or oil, or their derivatives;

111.4 (5) any pipeline for transporting natural or synthetic gas at pressures in excess of
 111.5 200 pounds per square inch with more than 50 miles of its length in Minnesota;

111.6 (6) any facility designed for or capable of storing on a single site more than 100,000
 111.7 gallons of liquefied natural gas or synthetic gas, excluding propane storage facilities;

111.8 (7) any underground gas storage facility requiring a permit pursuant to section
 111.9 103I.681;

111.10 (8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

111.11 (9) any facility intended to convert any material into any other combustible fuel and
 111.12 having the capacity to process in excess of 75 tons of the material per hour.

111.13 Sec. 5. Minnesota Statutes 2014, section 453A.02, subdivision 5, is amended to read:

111.14 Subd. 5. **Gas.** "Gas" means either natural or synthetic gas, ~~including~~ propane,
 111.15 manufactured gas, methane from coal beds, geothermal gas, or any mixture thereof,
 111.16 whether in gaseous or liquid form, or any by-product resulting therefrom.

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

111.18 Sec. 6. **PREPURCHASING PROPANE; REPORT.**

111.19 (a) The commissioner of commerce shall conduct a study of the operation of the
 111.20 propane prepurchase program under Minnesota Statutes, section 216B.0951. The study
 111.21 must address:

111.22 (1) the amount and price of propane prepurchased;

111.23 (2) the locations where prepurchased propane was stored and any costs of storage;

111.24 (3) a description of how the propane was distributed to customers, focusing on the
 111.25 activities of the local agencies that deliver energy assistance and propane distributors;

111.26 (4) a description of any obstacles that interfered with the efficient operation of the
 111.27 program, and suggestions for overcoming those obstacles; and

111.28 (5) an estimate of the savings that accrued to propane customers as a result of the
 111.29 prepurchase program.

111.30 (b) By January 1 of 2016 and 2017, the commissioner of commerce shall submit a
 111.31 report containing the information required under this section for the previous calendar year
 111.32 to the chairs and ranking minority members of the senate and house of representatives
 111.33 committees with primary responsibility for energy policy.

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

112.2 **ARTICLE 8**

112.3 **ENERGY CONSERVATION**

112.4 Section 1. Minnesota Statutes 2014, section 216B.16, subdivision 6b, is amended to
112.5 read:

112.6 Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided
112.7 in this subdivision, all investments and expenses of a public utility as defined in section
112.8 216B.241, subdivision 1, paragraph (h), incurred in connection with energy conservation
112.9 improvements shall be recognized and included by the commission in the determination of
112.10 just and reasonable rates as if the investments and expenses were directly made or incurred
112.11 by the utility in furnishing utility service.

112.12 (b) The commission shall not include investments and expenses for energy
112.13 conservation improvements in determining (i) just and reasonable electric rates for retail
112.14 electric service provided to large customer facilities whose electric utilities have been
112.15 exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b),
112.16 with respect to those large customer facilities; or (ii) just and reasonable gas rates for
112.17 large energy facilities, large customer facilities whose natural gas utilities have been
112.18 exempted by the commissioner under section 216B.241, subdivision 1a, paragraph (b), or
112.19 commercial gas customer facilities whose natural gas utilities have been exempted by the
112.20 commissioner under section 216B.241, subdivision 1a, paragraph (c).

112.21 (c) The commission may permit a public utility to file rate schedules providing for
112.22 annual recovery of the costs of energy conservation improvements. These rate schedules
112.23 may be applicable to less than all the customers in a class of retail customers if necessary
112.24 to reflect the requirements of section 216B.241. The commission shall allow a public
112.25 utility, without requiring a general rate filing under this section, to reduce the electric rates
112.26 applicable to large customer facilities that have been exempted by the commissioner under
112.27 section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a
112.28 large energy facility, a large customer facility or commercial customer facility that has
112.29 been exempted by the commissioner under section 216B.241, subdivision 1a, paragraph
112.30 (b) or (c), or by the commission under section 216B.241, subdivision 2, by an amount that
112.31 reflects the elimination of energy conservation improvement investments or expenditures
112.32 for those facilities. In the event that the commission has set electric or gas rates based on
112.33 the use of an accounting methodology that results in the cost of conservation improvements
112.34 being recovered from utility customers over a period of years, the rate reduction may

113.1 occur in a series of steps to coincide with the recovery of balances due to the utility for
113.2 conservation improvements made by the utility on or before December 31, 2007.

113.3 (d) Investments and expenses of a public utility shall not include electric utility
113.4 infrastructure costs as defined in section 216B.1636, subdivision 1, paragraph (b).

113.5 (e) This subdivision expires December 31, 2016.

113.6 Sec. 2. Minnesota Statutes 2014, section 216B.16, subdivision 6c, is amended to read:

113.7 Subd. 6c. **Incentive plan for energy conservation improvement.** (a) The
113.8 commission may order public utilities to develop and submit for commission approval
113.9 incentive plans that describe the method of recovery and accounting for utility
113.10 conservation expenditures and savings. In developing the incentive plans the commission
113.11 shall ensure the effective involvement of interested parties.

113.12 (b) In approving incentive plans, the commission shall consider:

113.13 (1) whether the plan is likely to increase utility investment in cost-effective energy
113.14 conservation;

113.15 (2) whether the plan is compatible with the interest of utility ratepayers and other
113.16 interested parties;

113.17 (3) whether the plan links the incentive to the utility's performance in achieving
113.18 cost-effective conservation; and

113.19 (4) whether the plan is in conflict with other provisions of this chapter.

113.20 (c) The commission may set rates to encourage the vigorous and effective
113.21 implementation of utility conservation programs. The commission may:

113.22 (1) increase or decrease any otherwise allowed rate of return on net investment based
113.23 upon the utility's skill, efforts, and success in conserving energy;

113.24 (2) share between ratepayers and utilities the net savings resulting from energy
113.25 conservation programs to the extent justified by the utility's skill, efforts, and success in
113.26 conserving energy; and

113.27 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that
113.28 implementation of cost-effective conservation is a preferred resource choice for the public
113.29 utility considering the impact of conservation on earnings of the public utility.

113.30 (d) This subdivision expires December 31, 2016.

113.31 Sec. 3. Minnesota Statutes 2014, section 216B.2401, is amended to read:

113.32 **216B.2401 ENERGY SAVINGS POLICY GOAL.**

113.33 (a) The legislature finds that energy savings are an energy resource, and that
113.34 cost-effective energy savings are preferred over all other energy resources. The legislature

114.1 further finds that cost-effective energy savings should be procured systematically and
114.2 aggressively in order to reduce utility costs for businesses and residents, improve the
114.3 competitiveness and profitability of businesses, create more energy-related jobs, reduce
114.4 the economic burden of fuel imports, and reduce pollution and emissions that cause
114.5 climate change. Therefore, it is the energy policy of the state of Minnesota to achieve
114.6 annual energy savings equal to at least 1.5 percent of annual retail energy sales of
114.7 electricity and natural gas through cost-effective energy conservation improvement
114.8 programs and rate design, energy efficiency achieved by energy consumers without
114.9 direct utility involvement, energy codes and appliance standards, programs designed
114.10 to transform the market or change consumer behavior, energy savings resulting from
114.11 efficiency improvements to the utility infrastructure and system, and other efforts to
114.12 promote energy efficiency and energy conservation.

114.13 (b) This section expires December 31, 2016.

114.14 Sec. 4. Minnesota Statutes 2014, section 216B.241, is amended by adding a
114.15 subdivision to read:

114.16 Subd. 11. **Expiration.** This section expires December 31, 2016.

114.17 Sec. 5. **[216C.418] ENERGY STORAGE, SOLAR THERMAL, WIND, AND**
114.18 **GEOHERMAL HEAT PUMP REBATE PROGRAM.**

114.19 Subdivision 1. **Definitions.** For the purposes of this section, the following terms
114.20 have the meanings given them:

114.21 (1) "energy storage system" means a technology that stores electricity that has been
114.22 previously generated and that releases the electricity for use at a later time;

114.23 (2) "geothermal heat pump" means a technology consisting of:

114.24 (i) a ground heat exchanger that consists of a system of underground pipes containing
114.25 a circulating liquid that absorbs and relinquishes heat from the earth;

114.26 (ii) a heat pump that transfers heat between the ground and a building interior; and

114.27 (iii) an air delivery system that delivers heat throughout a building's interior rooms;

114.28 (3) "solar thermal system" means a flat plate or evacuated tube that meets the
114.29 requirements of section 216C.25 with a fixed orientation that collects the sun's radiant
114.30 energy and transfers it to a storage medium for distribution as energy to heat or cool air
114.31 or water; and

114.32 (4) "wind energy conversion system" has the meaning given in section 216C.06,
114.33 subdivision 19, except that for the purposes of this section a wind energy conversion
114.34 system may have a capacity no greater than 40 kilowatts.

115.1 Subd. 2. **Program.** (a) The commissioner of commerce shall establish a program
115.2 to provide rebates to residential, commercial, and industrial property owners who install
115.3 energy storage systems, wind energy conversion systems, geothermal heat pumps, or solar
115.4 thermal systems in their Minnesota business or residence after the effective date of this
115.5 act. Applications for a rebate under this section must be made to the commissioner on a
115.6 form developed by the commissioner. The commissioner shall develop administrative
115.7 procedures governing the application and rebate award process. Applications will be
115.8 reviewed and rebates awarded on a first-come, first-served basis.

115.9 (b) An applicant is ineligible to receive a rebate under this section for installing a
115.10 technology if the utility served by the applicant offers a rebate for installing that technology.

115.11 Subd. 3. **Geothermal heat pump; application.** An application for a rebate for a
115.12 geothermal heat pump under this section must, at a minimum, contain evidence that
115.13 the geothermal heat pump:

115.14 (1) is a closed-loop system;

115.15 (2) includes both air cooling and heating applications; and

115.16 (3) has a Coefficient of Performance and an Energy Efficiency Ratio that meet the
115.17 minimum standards set by the commissioner.

115.18 Subd. 4. **Rebate amounts.** (a) For a geothermal heat pump, the rebate amount is the
115.19 lesser of 20 percent of the installation and equipment cost or \$20,000.

115.20 (b) For an energy storage system with a capacity of 40 kilowatts or less, the rebate
115.21 shall be the lesser of 25 percent of the installation and equipment cost or \$20,000. For
115.22 energy storage systems manufactured in Minnesota, the rebate shall be the lesser of 50
115.23 percent of the installation and equipment cost or \$40,000.

115.24 (c) For a solar thermal system, the maximum rebate for a single family residential
115.25 dwelling installation is the lesser of 25 percent of the installed cost of a complete system
115.26 or \$2,500. The maximum rebate for a multiple family residential dwelling installation
115.27 is the lesser of 25 percent of the installed cost of a complete system or \$5,000. The
115.28 maximum rebate for a commercial or industrial installation is the lesser of 25 percent of
115.29 the installation cost of the complete system or \$25,000. The system must be installed
115.30 by a factory authorized installer.

115.31 (d) For a wind energy conversion system, the rebate amount is equal to the lesser of
115.32 30 percent of the installation and equipment cost or \$15,000.

115.33 Subd. 5. **Appropriation.** There is annually appropriated to the commissioner of
115.34 commerce from the Minnesota energy investment account established in section 116C.779
115.35 sums sufficient to make the rebate payments required under this section and to pay the
115.36 reasonable costs incurred by the department to administer this section.

116.1 Sec. 6. Minnesota Statutes 2014, section 216C.435, subdivision 5, is amended to read:

116.2 Subd. 5. **Energy improvement.** "Energy improvement" means:

116.3 (1) any renovation or retrofitting of a building to improve energy efficiency that
116.4 is permanently affixed to the property and that results in a net reduction in energy
116.5 consumption without altering the principal source of energy;

116.6 (2) permanent installation of new or upgraded electrical circuits and related
116.7 equipment to enable electrical vehicle charging; ~~or~~

116.8 (3) a renewable energy system attached to, installed within, or proximate to a
116.9 building that generates electrical or thermal energy from a renewable energy source; or

116.10 (4) the installation of infrastructure, machinery, and appliances that allow:

116.11 (i) natural gas to be used as a heating fuel on the premises of an existing building
116.12 that was previously not connected to a source of natural gas; or

116.13 (ii) propane to be used as a heating fuel on the premises of an existing building that
116.14 previously did not use propane.

116.15 Sec. 7. **ENERGY CONSERVATION SERVICE DELIVERY; ADVISORY TASK**
116.16 **FORCE.**

116.17 (a) By July 1, 2015, the commissioner of commerce shall convene an energy
116.18 conservation advisory task force to examine the feasibility of reorganizing the delivery
116.19 of energy conservation services under Minnesota Statutes, section 216B.241, in order to
116.20 increase energy savings, make energy more affordable to ratepayers, and reduce pollution
116.21 from energy generation. As part of its inquiry, the task force shall examine new and
116.22 emerging energy technologies and the experience of states that deliver energy conservation
116.23 services to ratepayers through a third-party provider.

116.24 (b) The commissioner of commerce or the commissioner's designee shall serve as
116.25 chair of the advisory task force. The commissioner of commerce shall appoint to the task
116.26 force one member to represent the interests of each of the following:

116.27 (1) public utilities;

116.28 (2) generation and transmission cooperatives that implement energy conservation
116.29 programs for member utilities;

116.30 (3) municipal utilities;

116.31 (4) an organization representing utility business customers; and

116.32 (5) a nonprofit organization experienced in developing and implementing energy
116.33 conservation programs.

116.34 The speaker of the house of representatives and the president of the senate shall each
116.35 appoint one at-large member to the advisory task force.

117.1 (c) The advisory task force shall submit a report containing its findings and
 117.2 recommendations by February 1, 2016, to the chairs and ranking minority members of
 117.3 the senate and house of representatives committees with primary jurisdiction over energy
 117.4 policy.

117.5 ARTICLE 9

117.6 RENEWABLE FUELS

117.7 Section 1. Minnesota Statutes 2014, section 16B.323, is amended to read:

117.8 16B.323 SOLAR ENERGY IN STATE BUILDINGS.

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

117.11 (b) ~~"Made in Minnesota" means the manufacture in this state of:~~

117.12 ~~(i) components of a solar thermal system certified by the Solar Rating and~~
 117.13 ~~Certification Corporation; or~~

117.14 ~~(ii) solar photovoltaic modules that:~~

117.15 ~~(1) are manufactured at a manufacturing facility in Minnesota that is registered and~~
 117.16 ~~authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory,~~
 117.17 ~~CSA International, Intertek, or an equivalent independent testing agency;~~

117.18 ~~(2) bear certification marks from Underwriters Laboratory, CSA International,~~
 117.19 ~~Intertek, or an equivalent independent testing agency; and~~

117.20 ~~(3) meet the requirements of section 116C.7791, subdivision 3, paragraph (a),~~
 117.21 ~~clauses (1), (5), and (6).~~

117.22 ~~For the purposes of clause (ii), "manufactured" has the meaning given in section~~
 117.23 ~~116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).~~

117.24 (e) "Major renovation" means a substantial addition to an existing building, or a
 117.25 substantial change to the interior configuration or the energy system of an existing building.

117.26 ~~(d)~~ (c) "Solar energy system" means solar photovoltaic ~~modules~~ devices alone or
 117.27 installed in conjunction with a solar thermal system.

117.28 ~~(e)~~ (d) "Solar photovoltaic ~~module~~ device" has the meaning given in section
 117.29 ~~116C.7791, subdivision 1, paragraph (e)~~ 216C.06, subdivision 17.

117.30 ~~(f)~~ (e) "Solar thermal system" has the meaning given "qualifying solar thermal
 117.31 project" in section 216B.2411, subdivision 2, paragraph (e).

117.32 ~~(g)~~ (f) "State building" means a building whose construction or renovation is paid
 117.33 wholly or in part by the state from the bond proceeds fund.

118.1 Subd. 2. **Solar energy system.** (a) As provided in paragraphs (b) and (c), a project
118.2 for the construction or major renovation of a state building, after the completion of a
118.3 cost-benefit analysis, may include installation of "~~Made in Minnesota~~" solar energy
118.4 systems of 40 kilowatts capacity on, adjacent, or in proximity to the state building.

118.5 (b) The capacity of a solar energy system must be less than 40 kilowatts to the extent
118.6 necessary to match the electrical load of the building or to the extent necessary to keep the
118.7 costs for the installation below the five percent maximum set by paragraph (c).

118.8 (c) The cost of the solar energy system must not exceed five percent of the
118.9 appropriations from the bond proceeds fund for the construction or renovation of the state
118.10 building. Purchase and installation of a solar thermal system may account for no more
118.11 than 25 percent of the cost of a solar energy system installation.

118.12 (d) A project subject to this section is ineligible to receive a rebate for the installation
118.13 of a solar energy system under section 116C.7791 or from any utility.

118.14 Sec. 2. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

118.15 Subdivision 1. **~~Renewable development~~ Energy fund account.** (a) The energy
118.16 fund account is established as a separate account in the special revenue fund in the state
118.17 treasury. Appropriations and transfers to the account shall be credited to the account.
118.18 Earnings, such as interest, dividends, and any other earnings arising from assets of the
118.19 account shall be credited to the account. Funds remaining in the account at the end of a
118.20 fiscal year are not canceled to the general fund, but remain in the account until expended.

118.21 (b) On July 1, 2015, the public utility that owns the Prairie Island nuclear generating
118.22 plant shall transfer all funds in the renewable development account previously established
118.23 under this subdivision and managed by the public utility, except funds awarded to grantees
118.24 in previous grant cycles that have not yet been expended and unencumbered funds
118.25 required to be paid in calendar year 2015 under sections 116C.7791, 116C.7792, and
118.26 216C.41, to the energy fund account established in paragraph (a).

118.27 (c) Beginning January 15, 2016, and continuing each January 15 thereafter, the
118.28 public utility that owns the Prairie Island nuclear generating plant must transfer to a
118.29 ~~renewable development~~ the energy fund account \$500,000 each year for each dry cask
118.30 containing spent fuel that is located at the Prairie Island power plant for each year the plant
118.31 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
118.32 commission pursuant to paragraph (e) (f). The fund transfer must be made if nuclear waste
118.33 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
118.34 any part of a year.

119.1 ~~(b)~~ (d) Beginning January 15, 2016, and continuing each January 15 thereafter,
119.2 the public utility that owns the Monticello nuclear generating plant must transfer to the
119.3 ~~renewable development~~ energy fund account account \$350,000 each year for each dry
119.4 cask containing spent fuel that is located at the Monticello nuclear power plant for each
119.5 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if
119.6 ordered by the commission pursuant to paragraph ~~(e)~~ (f). The fund transfer must be made
119.7 if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at
119.8 Monticello for any part of a year.

119.9 (e) Each year, of the funds transferred to the energy fund account under paragraphs
119.10 (c) and (d), the public utility shall withhold the amount necessary to pay its obligations
119.11 under sections 116C.7791, 116C.7792, and 216C.41 for that calendar year.

119.12 ~~(e)~~ (f) After discontinuation of operation of the Prairie Island nuclear plant or the
119.13 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
119.14 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
119.15 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
119.16 facility for any year in which the commission finds, by the preponderance of the evidence,
119.17 that the public utility did not make a good faith effort to remove the spent nuclear
119.18 fuel stored at the facility to a permanent or interim storage site out of the state. This
119.19 determination shall be made at least every two years.

119.20 ~~(d) Funds in the account may be expended only for any of the following purposes:~~

119.21 ~~(1) to increase the market penetration within the state of renewable electric energy~~
119.22 ~~resources at reasonable costs;~~

119.23 ~~(2) to promote the start-up, expansion, and attraction of renewable electric energy~~
119.24 ~~projects and companies within the state;~~

119.25 ~~(3) to stimulate research and development within the state into renewable electric~~
119.26 ~~energy technologies; and~~

119.27 ~~(4) to develop near-commercial and demonstration scale renewable electric projects~~
119.28 ~~or near-commercial and demonstration scale electric infrastructure delivery projects if~~
119.29 ~~those delivery projects enhance the delivery of renewable electric energy.~~

119.30 ~~The utility that owns a nuclear generating plant is eligible to apply for renewable~~
119.31 ~~development account grants.~~

119.32 ~~(e) Expenditures authorized by this subdivision from the account may be made only~~
119.33 ~~after approval by order of the Public Utilities Commission upon a petition by the public~~
119.34 ~~utility. The commission may approve proposed expenditures, may disapprove proposed~~
119.35 ~~expenditures that it finds to be not in compliance with this subdivision or otherwise~~
119.36 ~~not in the public interest, and may, if agreed to by the public utility, modify proposed~~

120.1 expenditures. ~~The commission may approve reasonable and necessary expenditures~~
120.2 ~~for administering the account in an amount not to exceed five percent of expenditures.~~
120.3 ~~Commission approval is not required for expenditures required under subdivisions 2~~
120.4 ~~and 3, section 116C.7791, or other law.~~

120.5 (f) ~~The account shall be managed by the public utility but the public utility must~~
120.6 ~~consult about account expenditures with an advisory group that includes, among others,~~
120.7 ~~representatives of its ratepayers. The commission may require that other interests be~~
120.8 ~~represented on the advisory group. The advisory group must be consulted with respect to~~
120.9 ~~the general scope of expenditures in designing a request for proposal and in evaluating~~
120.10 ~~projects submitted in response to a request for proposals. In addition to consulting with the~~
120.11 ~~advisory group, the public utility must utilize an independent third-party expert to evaluate~~
120.12 ~~proposals submitted in response to a request for proposal, including all proposals made by~~
120.13 ~~the public utility. A request for proposal for research and development under paragraph (d),~~
120.14 ~~clause (3), may be limited to or include a request to higher education institutions located in~~
120.15 ~~Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for~~
120.16 ~~multiple projects may include a provision that exempts the projects from the third-party~~
120.17 ~~expert review and instead provides for project evaluation and selection by a merit peer~~
120.18 ~~review grant system. The utility should attempt to reach agreement with the advisory~~
120.19 ~~group after consulting with it but the utility has full and sole authority to determine which~~
120.20 ~~expenditures shall be submitted to the commission for commission approval. In the~~
120.21 ~~process of determining request for proposal scope and subject and in evaluating responses~~
120.22 ~~to request for proposals, the public utility must strongly consider, where reasonable,~~
120.23 ~~potential benefit to Minnesota citizens and businesses and the utility's ratepayers.~~

120.24 (g) ~~Funds in the account may not be directly appropriated by the legislature by a law~~
120.25 ~~enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date~~
120.26 ~~may be expended only pursuant to an order of the commission according to this subdivision.~~

120.27 (h) ~~A request for proposal for renewable energy generation projects must, when~~
120.28 ~~feasible and reasonable, give preference to projects that are most cost-effective for a~~
120.29 ~~particular energy source.~~

120.30 (i) ~~The public utility must annually, by February 15, report to the chairs and ranking~~
120.31 ~~minority members of the legislative committees with jurisdiction over energy policy on~~
120.32 ~~projects funded by the account for the prior year and all previous years. The report must,~~
120.33 ~~to the extent possible and reasonable, itemize the actual and projected financial benefit to~~
120.34 ~~the public utility's ratepayers of each project.~~

120.35 (j) ~~A project receiving funds from the account must produce a written final report~~
120.36 ~~that includes sufficient detail for technical readers and a clearly written summary for~~

121.1 ~~nontechnical readers. The report must include an evaluation of the project's financial,~~
121.2 ~~environmental, and other benefits to the state and the public utility's ratepayers.~~

121.3 ~~(k) Final reports, any mid-project status reports, and renewable development account~~
121.4 ~~financial reports must be posted online on a public Web site designated by the commission.~~

121.5 ~~(l) All final reports must acknowledge that the project was made possible in whole~~
121.6 ~~or part by the Minnesota renewable development fund, noting that the fund is financed~~
121.7 ~~by the public utility's ratepayers.~~

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

121.9 Sec. 3. Minnesota Statutes 2014, section 116C.7792, is amended to read:

121.10 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

121.11 (a) The utility subject to section 116C.779 shall operate a program to provide solar
121.12 energy production incentives for solar energy systems of no more than a total nameplate
121.13 capacity of 20 kilowatts direct current. The program shall be operated for five consecutive
121.14 calendar years commencing in 2014. Up to \$5,000,000 shall be allocated for each of the
121.15 five years year during which applications are accepted from the renewable development
121.16 energy fund account established in section 116C.779 to a separate account for the purpose
121.17 of the solar production incentive program. The solar system must be sized to less than 120
121.18 percent of the customer's on-site annual energy consumption. The production incentive
121.19 must be paid for ten years commencing with the commissioning of the system. The utility
121.20 must file a plan to operate the program with the commissioner of commerce. The utility
121.21 may not operate the program until it is approved by the commissioner.

121.22 (b) The utility shall evaluate applications for the incentive and shall forward
121.23 recommendations for providing incentives to eligible applicants to the commissioner of
121.24 commerce, who shall pay the incentives from the energy fund account established in
121.25 section 116C.779. The utility shall not approve payment of an incentive under this section
121.26 for any application received after the effective date of this act.

121.27 Sec. 4. Minnesota Statutes 2014, section 216B.164, subdivision 3, is amended to read:

121.28 **Subd. 3. Purchases; small facilities.** (a) This paragraph applies to cooperative
121.29 electric associations and municipal utilities. For a qualifying facility having less than
121.30 40-kilowatt capacity, the customer shall be billed for the net energy supplied by the utility
121.31 according to the applicable rate schedule for sales to that class of customer. A cooperative
121.32 electric association or municipal utility may charge an additional fee to recover the
121.33 remaining fixed costs required to serve the customer. In the case of net input into the utility

122.1 system by a qualifying facility having less than 40-kilowatt capacity, compensation to the
122.2 customer shall be at a per kilowatt-hour rate determined under paragraph (c) or ~~(d)~~ (f).

122.3 (b) This paragraph applies to public utilities. For a qualifying facility having less
122.4 than 1,000-kilowatt capacity, the customer shall be billed for the net energy supplied by
122.5 the utility according to the applicable rate schedule for sales to that class of customer. In
122.6 the case of net input into the utility system by a qualifying facility having: ~~(1) more than~~
122.7 ~~40-kilowatt but~~ less than 1,000-kilowatt capacity, compensation to the customer shall be
122.8 at a per kilowatt-hour rate determined under paragraph (c); ~~or (2) less than 40-kilowatt~~
122.9 ~~capacity, compensation to the customer shall be at a per-kilowatt rate determined under~~
122.10 ~~paragraph (d)~~.

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

122.18 (d) This paragraph applies to qualifying facilities having less than 40-kilowatt
122.19 capacity that have elected a rate of compensation for net input into the utility system before
122.20 the effective date of this act. Notwithstanding any provision in this chapter to the contrary,
122.21 a qualifying facility having less than 40-kilowatt capacity may elect that the compensation
122.22 for net input by the qualifying facility into the utility system shall be at the average retail
122.23 utility energy rate. "Average retail utility energy rate" is defined as the average of the retail
122.24 energy rates, exclusive of special rates based on income, age, or energy conservation,
122.25 according to the applicable rate schedule of the utility for sales to that class of customer.

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

122.35 (f) A customer with a qualifying facility or net metered facility having a capacity
122.36 below 40 kilowatts that is interconnected to a cooperative electric association or a

123.1 municipal utility may elect to be compensated for the customer's net input into the utility
123.2 system in the form of a kilowatt-hour credit on the customer's energy bill carried forward
123.3 and applied to subsequent energy bills. Any kilowatt-hour credits carried forward by the
123.4 customer cancel at the end of the calendar year with no additional compensation.

123.5 **EFFECTIVE DATE.** This section applies to net metered facilities that are first
123.6 interconnected to utilities after August 15, 2015.

123.7 Sec. 5. Minnesota Statutes 2014, section 216B.1641, is amended to read:

123.8 **216B.1641 COMMUNITY SOLAR GARDEN.**

123.9 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
123.10 plan with the commission to operate a community solar garden program which shall begin
123.11 operations within 90 days after commission approval of the plan. Other public utilities
123.12 may file an application at their election. The community solar garden program must be
123.13 designed to offset the energy use of not less than five subscribers in each community
123.14 solar garden facility of which no single subscriber has more than a 40 percent interest.
123.15 The owner of the community solar garden may be a public utility or any other entity or
123.16 organization that contracts to sell the output from the community solar garden to the
123.17 utility under section 216B.164. There shall be no limitation on the number or cumulative
123.18 generating capacity of community solar garden facilities other than the limitations imposed
123.19 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

123.20 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
123.21 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
123.22 the electricity generated in proportion to the size of their subscription. The solar garden
123.23 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
123.24 sized to represent at least 200 watts of the community solar garden's generating capacity
123.25 and to supply, when combined with other distributed generation resources serving the
123.26 premises, no more than 120 percent of the average annual consumption of electricity by
123.27 each subscriber at the premises to which the subscription is attributed.

123.28 (c) The solar generation facility must be located in the service territory of the public
123.29 utility filing the plan. Subscribers must be retail customers of the public utility located in
123.30 the same county or a county contiguous to where the facility is located.

123.31 (d) The public utility must purchase from the community solar garden all energy
123.32 generated by the solar garden. The purchase shall be at ~~the rate calculated under section~~
123.33 ~~216B.164, subdivision 10, or, until that rate for the public utility has been approved by~~
123.34 ~~the commission,~~ the applicable retail rate. A solar garden is eligible for any incentive

124.1 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
 124.2 portion of the purchase shall be provided by a credit on the subscriber's bill.

124.3 (e) The commission may approve, disapprove, or modify a community solar garden
 124.4 program. Any plan approved by the commission must:

124.5 (1) reasonably allow for the creation, financing, and accessibility of community
 124.6 solar gardens;

124.7 (2) establish uniform standards, fees, and processes for the interconnection
 124.8 of community solar garden facilities that allow the utility to recover reasonable
 124.9 interconnection costs for each community solar garden;

124.10 (3) not apply different requirements to utility and nonutility community solar garden
 124.11 facilities;

124.12 (4) be consistent with the public interest;

124.13 (5) identify the information that must be provided to potential subscribers to ensure
 124.14 fair disclosure of future costs and benefits of subscriptions;

124.15 (6) include a program implementation schedule;

124.16 (7) identify all proposed rules, fees, and charges; and

124.17 (8) identify the means by which the program will be promoted.

124.18 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
 124.19 community solar garden facility shall be considered a utility solely as a result of their
 124.20 participation in the community solar garden facility.

124.21 (g) Within 180 days of commission approval of a plan under this section, a utility
 124.22 shall begin crediting subscriber accounts for each community solar garden facility in
 124.23 its service territory, and shall file with the commissioner of commerce a description of
 124.24 its crediting system.

124.25 (h) For the purposes of this section, the following terms have the meanings given:

124.26 (1) "subscriber" means a retail customer of a utility who owns one or more
 124.27 subscriptions of a community solar garden facility interconnected with that utility; and

124.28 (2) "subscription" means a contract between a subscriber and the owner of a solar
 124.29 garden.

124.30 Sec. 6. Minnesota Statutes 2014, section 216B.1691, is amended to read:

124.31 **216B.1691 RENEWABLE ADVANCED ENERGY OBJECTIVES**

124.32 **STANDARDS.**

124.33 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
 124.34 technology" means an energy technology that:

124.35 (1) generates electricity from the following renewable energy sources:

- 125.1 ~~(1) (i) solar;~~
- 125.2 ~~(2) (ii) wind;~~
- 125.3 ~~(3) (iii) hydroelectric with a capacity of less than 100 megawatts;~~
- 125.4 ~~(4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated~~
- 125.5 ~~from the resources listed in this paragraph; or~~
- 125.6 ~~(iv) hydroelectric with a capacity of 100 megawatts or greater that was first placed~~
- 125.7 ~~into service after January 1, 2015; or~~
- 125.8 ~~(5) (v) biomass, which includes, without limitation, landfill gas; an anaerobic~~
- 125.9 ~~digester system; the predominantly organic components of wastewater effluent, sludge, or~~
- 125.10 ~~related by-products from publicly owned treatment works, but not including incineration~~
- 125.11 ~~of wastewater sludge to produce electricity; and an energy recovery facility used to~~
- 125.12 ~~capture the heat value of mixed municipal solid waste or refuse-derived fuel from mixed~~
- 125.13 ~~municipal solid waste as a primary fuel; or~~
- 125.14 ~~(2) stores electricity previously generated from a renewable resource listed in clause~~
- 125.15 ~~(1) that can be released for use at a later time.~~
- 125.16 (b) "Electric utility" means a public utility providing electric service, a generation
- 125.17 and transmission cooperative electric association, a municipal power agency, or a power
- 125.18 district.
- 125.19 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year
- 125.20 by an electric utility to retail customers of the electric utility or to a distribution utility
- 125.21 for distribution to the retail customers of the distribution utility. "Total retail electric
- 125.22 sales" does not include the sale of hydroelectricity supplied by a federal power marketing
- 125.23 administration or other federal agency, regardless of whether the sales are directly to a
- 125.24 distribution utility or are made to a generation and transmission utility and pooled for
- 125.25 further allocation to a distribution utility.
- 125.26 ~~Subd. 2. **Eligible energy objectives.** Each electric utility shall make a good~~
- 125.27 ~~faith effort to generate or procure sufficient electricity generated by an eligible energy~~
- 125.28 ~~technology to provide its retail consumers, or the retail customers of a distribution utility~~
- 125.29 ~~to which the electric utility provides wholesale electric service, so that commencing~~
- 125.30 ~~in 2005, at least one percent of the electric utility's total retail electric sales to retail~~
- 125.31 ~~customers in Minnesota is generated by eligible energy technologies and seven percent of~~
- 125.32 ~~the electric utility's total retail electric sales to retail customers in Minnesota by 2010 is~~
- 125.33 ~~generated by eligible energy technologies.~~
- 125.34 Subd. 2a. **Eligible Advanced energy technology standard; schedule.** (a) Except
- 125.35 as provided in paragraph (b), each electric utility shall generate or procure sufficient
- 125.36 electricity generated by an eligible energy technology to provide its retail customers in

126.1 Minnesota, or the retail customers of a distribution utility to which the electric utility
 126.2 provides wholesale electric service, so that at least the following standard percentages of
 126.3 the electric utility's total retail electric sales to retail customers in Minnesota are generated
 126.4 by eligible energy technologies by the end of the year indicated:

- | | | | |
|-------|-----|------|-------------|
| 126.5 | (1) | 2012 | 12 percent |
| 126.6 | (2) | 2016 | 17 percent |
| 126.7 | (3) | 2020 | 20 percent |
| 126.8 | (4) | 2025 | 25 percent. |

126.9 (b) An electric utility that owned a nuclear generating facility as of January 1, 2007,
 126.10 must meet the requirements of this paragraph rather than paragraph (a). An electric utility
 126.11 subject to this paragraph must generate or procure sufficient electricity generated by
 126.12 an eligible energy technology to provide its retail customers in Minnesota or the retail
 126.13 customer of a distribution utility to which the electric utility provides wholesale electric
 126.14 service so that at least the following percentages of the electric utility's total retail electric
 126.15 sales to retail customers in Minnesota are generated by eligible energy technologies by the
 126.16 end of the year indicated:

- | | | | |
|--------|-----|------|-------------|
| 126.17 | (1) | 2010 | 15 percent |
| 126.18 | (2) | 2012 | 18 percent |
| 126.19 | (3) | 2016 | 25 percent |
| 126.20 | (4) | 2020 | 30 percent. |

126.21 ~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy~~
 126.22 ~~or wind energy conversion systems and the remaining five percent by other eligible~~
 126.23 ~~energy technology. Of the 25 percent that must be generated by wind or solar, no more~~
 126.24 ~~than one percent may be solar generated and the remaining 24 percent or greater must~~
 126.25 ~~be wind generated.~~

126.26 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or
 126.27 delay the implementation of a standard obligation, in whole or in part, if the commission
 126.28 determines it is in the public interest to do so. The commission, when requested to modify
 126.29 or delay implementation of a standard, must consider:

- | | | |
|--------|-----|---|
| 126.30 | (1) | the impact of implementing the standard on its customers' utility costs, including |
| 126.31 | | the economic and competitive pressure on the utility's customers; |
| 126.32 | (2) | the effects of implementing the standard on the reliability of the electric system; |
| 126.33 | (3) | technical advances or technical concerns; |
| 126.34 | (4) | delays in acquiring sites or routes due to rejection or delays of necessary siting or |
| 126.35 | | other permitting approvals; |
| 126.36 | (5) | delays, cancellations, or nondelivery of necessary equipment for construction or |
| 126.37 | | commercial operation of an eligible energy technology facility; |

127.1 (6) transmission constraints preventing delivery of service; and

127.2 (7) other statutory obligations imposed on the commission or a utility.

127.3 The commission may modify or delay implementation of a standard obligation
127.4 under clauses (1) to (3) only if it finds implementation would cause significant rate impact,
127.5 requires significant measures to address reliability, or raises significant technical issues.

127.6 The commission may modify or delay implementation of a standard obligation under
127.7 clauses (4) to (6) only if it finds that the circumstances described in those clauses were due
127.8 to circumstances beyond an electric utility's control and make compliance not feasible.

127.9 (b) When considering whether to delay or modify implementation of a standard
127.10 obligation, the commission must give due consideration to a preference for electric
127.11 generation through use of eligible energy technology and to the achievement of the
127.12 standards set by this section.

127.13 (c) An electric utility requesting a modification or delay in the implementation of a
127.14 standard must file a plan to comply with its standard obligation in the same proceeding
127.15 that it is requesting the delay.

127.16 (d) If a utility reports under subdivision 2e that its retail rates have increased by two
127.17 percent or more over the previous year as a result of activities necessary to comply with
127.18 this section, the commission shall delay by three years the required achievement of the
127.19 utility's next scheduled standard under subdivision 2a.

127.20 Subd. 2c. **Use of integrated resource planning process.** The commission may
127.21 exercise its authority under subdivision 2b to modify or delay implementation of a standard
127.22 obligation as part of an integrated resource planning proceeding under section 216B.2422.
127.23 The commission's authority must be exercised according to subdivision 2b. The order to
127.24 delay or modify shall not be considered advisory with respect to any electric utility. This
127.25 subdivision is in addition to and does not limit the commission's authority to modify or
127.26 delay implementation of a standard obligation in other proceedings before the commission.

127.27 ~~Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing~~
127.28 ~~the criteria and standards by which it will measure an electric utility's efforts to meet the~~
127.29 ~~renewable energy objectives of subdivision 2 to determine whether the utility is making~~
127.30 ~~the required good faith effort. In this order, the commission shall include criteria and~~
127.31 ~~standards that protect against undesirable impacts on the reliability of the utility's system~~
127.32 ~~and economic impacts on the utility's ratepayers and that consider technical feasibility.~~

127.33 Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must
127.34 submit to the commission and the legislative committees with primary jurisdiction over
127.35 energy policy a report containing an estimation of the rate impact of activities of the
127.36 electric utility necessary to comply with this section. In consultation with the Department

128.1 of Commerce, the commission shall determine a uniform reporting system to ensure that
128.2 individual utility reports are consistent and comparable, and shall, by order, require each
128.3 electric utility subject to this section to use that reporting system. The rate impact estimate
128.4 must be for wholesale rates and, if the electric utility makes retail sales, the estimate
128.5 shall also be for the impact on the electric utility's retail rates. Those activities include,
128.6 without limitation, energy purchases, generation facility acquisition and construction,
128.7 and transmission improvements. ~~An initial report must be submitted within 150 days of~~
128.8 ~~May 28, 2011. After the initial report,~~ A report under this subdivision must be updated
128.9 ~~and~~ submitted as part of each integrated resource plan or plan modification filed by the
128.10 electric utility under section 216B.2422. A utility may file more frequent reports under
128.11 this subdivision. The reporting obligation of an electric utility under this subdivision
128.12 expires December 31, 2025, for an electric utility subject to subdivision 2a, paragraph (a),
128.13 and December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b).

128.14 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions
128.15 2a and 2b, each public utility shall generate or procure sufficient electricity generated
128.16 by solar energy to serve its retail electricity customers in Minnesota so that by the end
128.17 of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in
128.18 Minnesota is generated by solar energy. ~~At least ten percent of the 1.5 percent goal must~~
128.19 ~~be met by solar energy generated by or procured from solar photovoltaic devices with a~~
128.20 ~~nameplate capacity of 20 kilowatts or less.~~

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

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

128.25 ~~(d) For the purposes of calculating the total retail electric sales of a public utility~~
128.26 ~~under this subdivision, there shall be excluded retail electric sales to customers that are:~~

128.27 ~~(1) an iron mining extraction and processing facility, including a scarn mining~~
128.28 ~~facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or~~

128.29 ~~(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board~~
128.30 ~~manufacturer.~~

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

128.33 ~~(e)~~ (c) A public utility may not use energy used to satisfy the solar energy standard
128.34 under this subdivision to satisfy its standard obligation under subdivision 2a. A public
128.35 utility may not use energy used to satisfy the standard obligation under subdivision 2a to
128.36 satisfy the solar standard under this subdivision.

129.1 ~~(f)~~ (d) Notwithstanding any law to the contrary, a solar renewable energy credit
129.2 associated with a solar photovoltaic device installed and generating electricity in
129.3 Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy
129.4 standard established under this subdivision.

129.5 ~~(g)~~ (e) Beginning July 1, 2014, and each July 1 through 2020, each public utility
129.6 shall file a report with the commission reporting its progress in achieving the solar energy
129.7 standard established under this subdivision.

129.8 (f) The requirement established in paragraph (a) may be met through the use of solar
129.9 energy or any other more affordable eligible energy technology.

129.10 **Subd. 3. Utility plans filed with commission.** (a) Each electric utility shall
129.11 report on its plans, activities, and progress with regard to the ~~objectives and~~ standards
129.12 of this section in its filings under section 216B.2422 or in a separate report submitted
129.13 to the commission every two years, whichever is more frequent, demonstrating to the
129.14 commission the utility's effort to comply with this section. In its resource plan or a
129.15 separate report, each electric utility shall provide a description of:

129.16 (1) the status of the utility's renewable energy mix relative to the ~~objective and~~
129.17 standards;

129.18 (2) efforts taken to meet the objective and standards;

129.19 (3) any obstacles encountered or anticipated in meeting the ~~objective or~~ standards; and

129.20 (4) potential solutions to the obstacles.

129.21 (b) The commissioner shall compile the information provided to the commission
129.22 under paragraph (a), and report to the chairs of the house of representatives and senate
129.23 committees with jurisdiction over energy and environment policy issues as to the progress
129.24 of utilities in the state, including the progress of each individual electric utility, in increasing
129.25 the amount of renewable energy provided to retail customers, with any recommendations
129.26 for regulatory or legislative action, by January 15 of each odd-numbered year.

129.27 **Subd. 4. Renewable energy credits.** (a) To facilitate compliance with this section,
129.28 the commission, by rule or order, shall establish by January 1, 2008, a program for tradable
129.29 renewable energy credits for electricity generated by an eligible energy technology. The
129.30 credits must represent energy produced by an eligible energy technology, as defined in
129.31 subdivision 1. Each kilowatt-hour of renewable energy credits must be treated the same as
129.32 a kilowatt-hour of eligible energy technology generated or procured by an electric utility if
129.33 it is produced by an eligible energy technology. The program must permit a credit to be
129.34 used only once. The program must treat all eligible energy ~~technology~~ technologies equally
129.35 and shall not give more or less credit to energy based on the state where the energy ~~was~~ is

130.1 generated or the technology with which the energy ~~was~~ is generated. The commission
130.2 must determine the period in which the credits may be used for purposes of the program.

130.3 (b) In lieu of generating or procuring energy directly to satisfy the ~~eligible~~ advanced
130.4 ~~energy technology objective or~~ standard of this section, an electric utility may utilize
130.5 renewable energy credits allowed under the program to satisfy the ~~objective or~~ standard.

130.6 (c) The commission shall facilitate the trading of renewable energy credits between
130.7 states.

130.8 (d) The commission shall require all electric utilities to participate in a
130.9 commission-approved credit-tracking system or systems. Once a credit-tracking system is
130.10 in operation, the commission shall issue an order establishing protocols for trading credits.

130.11 (e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable
130.12 energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.

130.13 Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel
130.14 combustion through fuel blending or co-firing under paragraph (b) may only count toward
130.15 a utility's ~~objectives or~~ standards if the generation facility:

130.16 (1) was constructed in compliance with new source performance standards
130.17 promulgated under the federal Clean Air Act, United States Code, title 42, section 7401 et
130.18 seq., for a generation facility of that type; or

130.19 (2) employs the maximum achievable or best available control technology available
130.20 for a generation facility of that type.

130.21 (b) An eligible energy technology may blend or co-fire a fuel listed in subdivision 1,
130.22 paragraph (a), clause (5), with other fuels in the generation facility, but only the percentage
130.23 of electricity that is attributable to a fuel listed in that clause can be counted toward an
130.24 electric utility's renewable energy objectives.

130.25 Subd. 7. **Compliance.** The commission must regularly investigate whether an
130.26 electric utility is in compliance with its ~~good faith objective under subdivision 2 and~~
130.27 ~~standard obligation under subdivision 2a.~~ If the commission finds noncompliance, it may
130.28 order the electric utility to construct facilities, purchase energy generated by eligible
130.29 energy technology, purchase renewable energy credits, or engage in other activities
130.30 to achieve compliance. If an electric utility fails to comply with an order under this
130.31 subdivision, the commission may impose a financial penalty on the electric utility in an
130.32 amount not to exceed the estimated cost of the electric utility to achieve compliance. The
130.33 penalty may not exceed the lesser of the cost of constructing facilities or purchasing
130.34 credits. The commission must deposit financial penalties imposed under this subdivision
130.35 in the energy and conservation account established in the special revenue fund under

131.1 section 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any
 131.2 other authority of the commission to enforce this section.

131.3 Subd. 8. **Relation to other law.** This section does not limit the authority of the
 131.4 commission under any other law, including, without limitation, sections 216B.2422 and
 131.5 216B.243.

131.6 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within
 131.7 its statutory authority to ensure this section is implemented to maximize benefits to
 131.8 Minnesota citizens, balancing factors such as local ownership of or participation in
 131.9 energy production, development and ownership of eligible energy technology facilities by
 131.10 independent power producers, Minnesota utility ownership of eligible energy technology
 131.11 facilities, the costs of energy generation to satisfy the renewable advanced energy
 131.12 standard, and the reliability of electric service to Minnesotans.

131.13 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition
 131.14 process established by the commission prior to June 1, 2007, shall not apply to a utility
 131.15 for the construction, ownership, and operation of generation facilities used to satisfy the
 131.16 requirements of this section unless, upon a finding that it is in the public interest, the
 131.17 commission issues an order on or after June 1, 2007, that requires compliance by a utility
 131.18 with a competitive resource acquisition process. A utility that owns a nuclear generation
 131.19 facility and intends to construct, own, or operate facilities under this section shall file with
 131.20 the commission on or before March 1, 2008, a renewable energy plan setting forth the
 131.21 manner in which the utility proposes to meet the requirements of this section, ~~including~~
 131.22 ~~a proposed schedule for purchasing renewable energy from C-BED and non-C-BED~~
 131.23 ~~projects.~~ The utility shall update the plan as necessary in its filing under section
 131.24 216B.2422. The commission shall approve the plan unless it determines, after public
 131.25 hearing and comment, that the plan is not in the public interest. ~~As part of its determination~~
 131.26 ~~of public interest, the commission shall consider the plan's allocation of projects among~~
 131.27 ~~C-BED, non-C-BED, and utility-owned projects, balancing the state's interest in:~~

- 131.28 (1) ~~promoting the policy of economic development in rural areas through the~~
 131.29 ~~development of renewable energy projects, as expressed in subdivision 9;~~
 131.30 (2) ~~maintaining the reliability of the state's electric power grid; and~~
 131.31 (3) ~~minimizing cost impacts on ratepayers.~~

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

131.33 Sec. 7. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

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

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

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

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

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

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

132.17 (6) the modification of an existing electric generating plant to increase efficiency,
132.18 as long as the capacity of the plant is not increased more than ten percent or more than
132.19 100 megawatts, whichever is greater; ~~or~~

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

132.25 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
132.26 2, or a solar energy generating large energy facility, as defined in section 216B.2421,
132.27 subdivision 2, engaging in a repowering project that:

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

132.30 (ii) will result in the facility exceeding the nameplate capacity under its most recent
132.31 interconnection agreement, provided that the Midcontinent Independent System Operator
132.32 has provided a signed generator interconnection agreement that reflects the expected
132.33 net power increase.

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

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

- 133.1 (2) replacing turbines in a large wind energy conversion system without increasing
 133.2 the nameplate capacity of the system; or
 133.3 (3) increasing the nameplate capacity of a large wind energy conversion system.

133.4 **Sec. 8. [216C.417] PROGRAM ADMINISTRATION; "MADE IN MINNESOTA"**
 133.5 **SOLAR ENERGY PRODUCTION INCENTIVES.**

133.6 Subdivision 1. **General provisions.** Payment of a "Made in Minnesota" solar energy
 133.7 production incentive to an owner whose application was approved by the commissioner of
 133.8 commerce under Minnesota Statutes 2014, section 216C.415, prior to the effective date of
 133.9 this act shall be administered under the provisions of Minnesota Statutes 2014, sections
 133.10 216C.411, 216C.413, 216C.414, subdivisions 1 to 3 and 5 to 6, and 216C.415.

133.11 Subd. 2. **Appropriation.** (a) Unspent money remaining in the account established
 133.12 under Minnesota Statutes 2014, section 216C.412, as of June 30, 2015, must be returned
 133.13 to the account established under section 116C.779, subdivision 1.

133.14 (b) There is annually appropriated from the energy fund account established in
 133.15 section 116C.779 to the commissioner of commerce money sufficient to make the
 133.16 incentive payments required under Minnesota Statutes 2014, section 216C.415, and to
 133.17 administer that section.

133.18 Subd. 3. **Eligibility window; payment duration.** (a) Payments may be made under
 133.19 this subdivision only for solar photovoltaic module installations that first begin generating
 133.20 electricity between January 1, 2014, and the effective date of this act.

133.21 (b) The payment eligibility window of the incentive begins and runs consecutively
 133.22 from the date the solar photovoltaic modules first begins generating electricity.

133.23 (c) An owner of solar photovoltaic modules may receive payments under this
 133.24 section for a particular module for a period of ten years, provided that sufficient funds are
 133.25 available in the account.

133.26 (d) No payment may be made under this section for electricity generated after
 133.27 December 31, 2025.

133.28 (e) An owner of solar photovoltaic modules may not receive payments under this
 133.29 section for any solar photovoltaic modules that first begin generating electricity after the
 133.30 effective date of this act.

133.31 **Sec. 9. [216C.419] ENERGY FUND ACCOUNT SOLAR INCENTIVE**
 133.32 **PAYMENT.**

133.33 Subdivision 1. **Eligibility.** A qualifying facility that is a solar energy system, as
 133.34 defined in section 216C.06, subdivision 17, with a capacity no greater than ten kilowatts,

134.1 that first elects compensation under section 216B.164 after the effective date of this act is
134.2 eligible to receive an incentive payment under this section.

134.3 Subd. 2. **Amount.** The per kilowatt-hour amount of the energy fund account
134.4 incentive payment shall be determined by the commissioner.

134.5 Subd. 3. **Incentive payment.** (a) An incentive payment is equal to the
134.6 per kilowatt-hour amount calculated in subdivision 3 multiplied by the number of
134.7 kilowatt-hours purchased from the qualifying facility by the utility to which it is
134.8 interconnected.

134.9 (b) An incentive payment may be made under this section to an owner of a particular
134.10 solar energy system or wind energy conversion system for a period of ten years.

134.11 (c) A qualifying facility seeking an incentive payment under this section must file an
134.12 application with the commissioner, on a form determined by the commissioner, and must
134.13 satisfy any other requirements the commissioner deems are necessary. Payment of the
134.14 incentive may only be made upon certification by the commissioner of commerce that the
134.15 qualifying facility is eligible to receive payment under this section.

134.16 (d) The commissioner shall develop administrative procedures governing the
134.17 application process and the awarding of incentive payments as necessary to implement
134.18 this section.

134.19 Subd. 4. **Appropriation.** There is annually appropriated to the commissioner of
134.20 commerce from the energy fund account established in section 116C.779 sums sufficient to
134.21 make the incentive payments required under this section and to reimburse the department
134.22 for reasonable costs incurred in administering this section.

134.23 Sec. 10. **[216E.022] SETBACK FOR SOLAR ENERGY GENERATING**
134.24 **SYSTEMS.**

134.25 Solar panels that are part of a solar energy generating system that has been issued a
134.26 site permit under this chapter must be set back at least 400 feet from any dwelling unless:

134.27 (1) a local ordinance or regulation requires a greater setback; or

134.28 (2) the property owner of the adjacent property and the owner of the solar energy
134.29 generating system have reached a mutual agreement in writing allowing for a smaller
134.30 setback, provided that the agreement is not less restrictive than allowed under any
134.31 applicable ordinance or regulation unless a valid variance to the setback requirement
134.32 imposed by the ordinance or regulation has been granted.

134.33 **EFFECTIVE DATE.** This section is effective the day following final enactment,
134.34 and applies to solar energy generating systems for which site permit applications under
134.35 this chapter have been filed after January 1, 2015.

135.1 Sec. 11. [216E.023] SURETY BONDS; LARGE SOLAR ENERGY
135.2 GENERATING FACILITIES.

135.3 (a) A large energy facility, as defined in section 216B.2421, that is powered by a
135.4 solar energy generating system must maintain a current, valid corporate surety bond issued
135.5 by a surety company admitted to do business in Minnesota in an amount sufficient to pay
135.6 the entire cost of (1) disassembling and removing the solar energy generating system, and
135.7 (2) land reclamation, in the event the large energy facility discontinues operations.

135.8 (b) The commission may not approve an application for a certificate of need under
135.9 section 216B.243 or a site permit under this chapter unless the applicant demonstrates it
135.10 meets the requirements of paragraph (a).

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

135.12 Sec. 12. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

135.13 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
135.14 Commerce shall prepare for the commission an environmental impact statement on each
135.15 proposed large electric generating plant or high-voltage transmission line for which a
135.16 complete application has been submitted. The commissioner shall not consider whether
135.17 or not the project is needed. No other state environmental review documents shall be
135.18 required. The commissioner shall study and evaluate any site or route proposed by an
135.19 applicant and any other site or route the commission deems necessary that was proposed in
135.20 a manner consistent with rules concerning the form, content, and timeliness of proposals
135.21 for alternate sites or routes.

135.22 (b) If the proposed large electric power generating plant is to be constructed on
135.23 agricultural land, the environmental impact statement must include an analysis of the
135.24 impact of construction on any agricultural drainage system under the surface of the
135.25 construction site, including the impact on other agricultural land that is part of the same
135.26 drainage system.

135.27 (c) For the purpose of this subdivision, "agricultural drainage system" means a
135.28 publicly or privately owned drainage system that is installed or modified to improve the
135.29 productivity of agricultural land. Agricultural drainage system includes all tile, pipe, or
135.30 tubing of any material beneath the surface, and any associated inlets and outlets.

135.31 (d) If the proposed large electric generating plant is a solar energy generating
135.32 system, the environmental impact statement must include the results of an analysis of
135.33 reflected solar irradiance from the solar panels and its impact at specific observation
135.34 points, including but not limited to nearby airports, air traffic, highways, and residences.
135.35 The analysis must measure the incidence and duration of solar glare at these observation

136.1 points during various seasons of the year and times of day, and discuss how such impacts
136.2 can be mitigated by relocating solar panels or changing the angles at which they are set.

136.3 Sec. 13. Minnesota Statutes 2014, section 216E.03, subdivision 7, is amended to read:

136.4 Subd. 7. **Considerations in designating sites and routes.** (a) The commission's
136.5 site and route permit determinations must be guided by the state's goals to conserve
136.6 resources, minimize environmental impacts, minimize human settlement and other land
136.7 use conflicts, and ensure the state's electric energy security through efficient, cost-effective
136.8 power supply and electric transmission infrastructure.

136.9 (b) To facilitate the study, research, evaluation, and designation of sites and routes,
136.10 the commission shall be guided by, but not limited to, the following considerations:

136.11 (1) evaluation of research and investigations relating to the effects on land, water
136.12 and air resources of large electric power generating plants and high-voltage transmission
136.13 lines and the effects of water and air discharges and electric and magnetic fields resulting
136.14 from such facilities on public health and welfare, vegetation, animals, materials and
136.15 aesthetic values, including baseline studies, predictive modeling, and evaluation of new or
136.16 improved methods for minimizing adverse impacts of water and air discharges and other
136.17 matters pertaining to the effects of power plants on the water and air environment;

136.18 (2) environmental evaluation of sites and routes proposed for future development and
136.19 expansion and their relationship to the land, water, air and human resources of the state;

136.20 (3) evaluation of the effects of new electric power generation and transmission
136.21 technologies and systems related to power plants designed to minimize adverse
136.22 environmental effects;

136.23 (4) evaluation of the potential for beneficial uses of waste energy from proposed
136.24 large electric power generating plants;

136.25 (5) analysis of the direct and indirect economic impact of proposed sites and routes
136.26 including, but not limited to, productive agricultural land lost or impaired;

136.27 (6) evaluation of adverse direct and indirect environmental effects that cannot be
136.28 avoided should the proposed site and route be accepted;

136.29 (7) evaluation of alternatives to the applicant's proposed site or route proposed
136.30 pursuant to subdivisions 1 and 2;

136.31 (8) evaluation of potential routes that would use or parallel existing railroad and
136.32 highway rights-of-way;

136.33 (9) evaluation of governmental survey lines and other natural division lines of
136.34 agricultural land so as to minimize interference with agricultural operations;

137.1 (10) evaluation of the future needs for additional high-voltage transmission lines
137.2 in the same general area as any proposed route, and the advisability of ordering the
137.3 construction of structures capable of expansion in transmission capacity through multiple
137.4 circuiting or design modifications;

137.5 (11) evaluation of irreversible and irretrievable commitments of resources should the
137.6 proposed site or route be approved; ~~and~~

137.7 (12) ~~when appropriate, consideration~~ evaluation of problems raised by other state
137.8 and federal agencies and local entities; and

137.9 (13) evaluation of the impact on local land use, including the extent to which the
137.10 proposed site conflicts with county or local comprehensive plans, or official controls
137.11 governing future development.

137.12 (c) If the commission's rules are substantially similar to existing regulations of a
137.13 federal agency to which the utility in the state is subject, the federal regulations must
137.14 be applied by the commission.

137.15 (d) No site or route shall be designated which violates state agency rules.

137.16 (e) The commission must make specific findings that it has considered locating a
137.17 route for a high-voltage transmission line on an existing high-voltage transmission route
137.18 and the use of parallel existing highway right-of-way and, to the extent those are not used
137.19 for the route, the commission must state the reasons.

137.20 Sec. 14. Minnesota Statutes 2014, section 216E.04, subdivision 5, is amended to read:

137.21 Subd. 5. **Environmental review.** (a) For the projects identified in subdivision 2
137.22 and following these procedures, the commissioner of the Department of Commerce shall
137.23 prepare for the commission an environmental assessment. The environmental assessment
137.24 shall contain information on the human and environmental impacts of the proposed project
137.25 and other sites or routes identified by the commission and shall address mitigating measures
137.26 for all of the sites or routes considered. If the proposed project is a large electric power
137.27 generating plant to be constructed on agricultural land, the environmental assessment must
137.28 include an analysis of the construction's impact on any agricultural drainage system under
137.29 the surface of the construction site, including the impact on other agricultural land that is
137.30 part of the same drainage system. The environmental assessment shall be the only state
137.31 environmental review document required to be prepared on the project.

137.32 (b) For the purpose of this subdivision, "agricultural drainage system" means a
137.33 publicly or privately owned drainage system that is installed or modified to improve the
137.34 productivity of agricultural land. Agricultural drainage system includes all tile, pipe, or
137.35 tubing of any material beneath the surface, and any associated inlets and outlets.

138.1 (c) If the proposed large electric generating plant is a solar energy generating system,
138.2 the environmental assessment must include the results of an analysis of reflected solar
138.3 irradiance from the solar panels and its impact at specific observation points, including
138.4 but not limited to nearby airports, air traffic, highways, and residences. The analysis
138.5 must measure the incidence and duration of solar glare at these observation points during
138.6 various seasons of the year and times of day, and discuss how such impacts can be
138.7 mitigated by relocating solar panels or changing the angles at which they are set.

138.8 **Sec. 15. [216E.19] REQUIREMENT FOR LOCAL APPROVAL.**

138.9 Notwithstanding the provisions of this chapter, the commission may not issue a
138.10 site permit for a solar energy generating system until all required local permits have
138.11 been granted and a resolution approving construction of the project is adopted by the
138.12 local governing body in which the proposed project site is located, provided that the
138.13 local governing body:

138.14 (1) has intervened as a formal party to the public hearing conducted under section
138.15 216E.03, subdivision 6, or 216E.04, subdivision 6; and

138.16 (2) has participated fully in the public hearing and has made its concerns regarding
138.17 the project part of the record established at the public hearing.

138.18 **EFFECTIVE DATE.** This section is effective the day following final enactment,
138.19 and applies to solar energy generating systems for which site permit applications under
138.20 this chapter have been filed after January 1, 2015.

138.21 **Sec. 16.** Laws 2008, chapter 296, article 1, section 25, the effective date, as amended
138.22 by Laws 2010, chapter 333, article 1, section 33, and Laws 2012, chapter 244, article 1,
138.23 section 76, is amended to read:

138.24 **EFFECTIVE DATE.** This section is effective June 1, ~~2017~~ 2016.

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

138.26 **Sec. 17. PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
138.27 **THERMAL REBATES.**

138.28 (a) No rebate may be paid under Minnesota Statutes 2014, section 216C.416, to an
138.29 owner of a solar thermal system whose application was approved by the commissioner
138.30 after the effective date of this act.

139.1 (b) Unspent money remaining in the account established under Minnesota Statutes
139.2 2014, section 216C.416, as of June 30, 2015, must be returned to the energy fund account
139.3 established under section 116C.779, subdivision 1.

139.4 Sec. 18. **REPEALER.**

139.5 (a) Minnesota Statutes 2014, sections 216B.8109; 216B.811; 216B.812; 216B.813;
139.6 and 216B.815, are repealed.

139.7 (b) Minnesota Statutes 2014, section 216B.164, subdivision 10, is repealed.

139.8 (c) Minnesota Statutes 2014, section 116C.779, subdivision 3, is repealed.

139.9 (d) Minnesota Statutes 2014, sections 174.187; 216C.411; 216C.412; 216C.413;
139.10 216C.414; 216C.415; and 216C.416, are repealed.

139.11 (e) Laws 2013, chapter 85, article 6, section 11, is repealed.

139.12 (f) Minnesota Statutes 2014, sections 216B.1612; and 216C.39, are repealed.

139.13 **ARTICLE 10**

139.14 **GREENHOUSE GAS EMISSIONS**

139.15 Section 1. Minnesota Statutes 2014, section 216H.01, is amended by adding a
139.16 subdivision to read:

139.17 Subd. 1a. **Cogeneration facility or combined heat and power facility.**
139.18 "Cogeneration facility" or "combined heat and power facility" has the meaning given in
139.19 United States Code, title 16, section 796(18)(B).

139.20 Sec. 2. Minnesota Statutes 2014, section 216H.02, subdivision 1, is amended to read:

139.21 Subdivision 1. **Greenhouse gas emissions-reduction goal.** It is the goal of the state
139.22 to reduce statewide greenhouse gas emissions ~~across all sectors producing those emissions~~
139.23 ~~to a level at least 15 percent below 2005 levels by 2015, to a level at least 30 percent~~
139.24 ~~below 2005 levels by 2025, and to a level at least 80 percent below 2005 levels by 2050.~~
139.25 ~~The levels shall be reviewed based on the climate change action plan study~~ to the level
139.26 proposed in the plan approved under section 216H.077.

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

139.28 Sec. 3. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

139.29 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
139.30 section, "new large energy facility" means a large energy facility, as defined in section
139.31 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007,

140.1 but does not include a facility that (1) uses natural gas as a primary fuel, (2) is a
 140.2 cogeneration facility or combined heat and power facility, or is designed to provide
 140.3 peaking, intermediate, emergency backup, or contingency services, (3) uses a simple cycle
 140.4 or combined cycle turbine technology, and (4) is capable of achieving full load operations
 140.5 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
 140.6 minimum load operations within 185 minutes of startup for a combined cycle facility.

140.7 Sec. 4. Minnesota Statutes 2014, section 216H.03, subdivision 3, is amended to read:

140.8 Subd. 3. **Long-term increased emissions from power plants prohibited.** Unless
 140.9 preempted by federal law, until a comprehensive and enforceable state law or rule
 140.10 pertaining to greenhouse gases that directly limits and substantially reduces, over time,
 140.11 statewide power sector carbon dioxide emissions is enacted and in effect, and except as
 140.12 allowed in subdivisions 4 to 7, on and after August 1, 2009, no person shall:

140.13 ~~(1) construct within the state a new large energy facility that would contribute to~~
 140.14 ~~statewide power sector carbon dioxide emissions;~~

140.15 ~~(2) import or commit to import from outside the state power from a new large energy~~
 140.16 ~~facility that would contribute to statewide power sector carbon dioxide emissions; or~~

140.17 ~~(3) enter into a new long-term power purchase agreement that would increase~~
 140.18 ~~statewide power sector carbon dioxide emissions. For purposes of this section, a long-term~~
 140.19 ~~power purchase agreement means an agreement to purchase 50 megawatts of capacity~~
 140.20 ~~or more for a term exceeding five years.~~

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

140.22 Sec. 5. Minnesota Statutes 2014, section 216H.03, subdivision 7, is amended to read:

140.23 Subd. 7. **Other exemptions.** The prohibitions in subdivision 3 do not apply to:

140.24 (1) a new large energy facility under consideration by the Public Utilities
 140.25 Commission pursuant to proposals or applications filed with the Public Utilities
 140.26 Commission before April 1, 2007, or to any power purchase agreement related to a facility
 140.27 described in this clause. The exclusion of pending proposals and applications from the
 140.28 prohibitions in subdivision 3 does not limit the applicability of any other law and is not an
 140.29 expression of legislative intent regarding whether any pending proposal or application
 140.30 should be approved or denied;

140.31 (2) a contract not subject to commission approval that was entered into prior to
 140.32 April 1, 2007, to purchase power from a new large energy facility that was approved by
 140.33 a comparable authority in another state prior to that date, for which municipal or public
 140.34 power district bonds have been issued, and on which construction has begun;

141.1 (3) a new large energy facility ~~or a power purchase agreement between a Minnesota~~
 141.2 ~~utility and a new large energy facility~~ located ~~outside~~ within Minnesota that the Public
 141.3 Utilities Commission has determined is essential to ensure the long-term reliability of
 141.4 Minnesota's electric system, to allow electric service for increased industrial demand,
 141.5 or to avoid placing a substantial financial burden on Minnesota ratepayers. An order
 141.6 of the commission granting an exemption under this clause is stayed until the June 1
 141.7 following the next regular or annual session of the legislature that begins after the date of
 141.8 the commission's final order; or

141.9 (4) a new large energy facility with a combined electric generating capacity of less
 141.10 than 100 megawatts, which did not require a Minnesota certificate of need, which received
 141.11 an air pollution control permit to construct from an adjoining state before January 1, 2008,
 141.12 and on which construction began before July 1, 2008, or to any power purchase agreement
 141.13 related to a facility described in this clause.

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

141.15 Sec. 6. Minnesota Statutes 2014, section 216H.07, is amended to read:

141.16 **216H.07 EMISSIONS-REDUCTION ATTAINMENT; POLICY**
 141.17 **DEVELOPMENT PROCESS.**

141.18 Subdivision 1. **Definition.** For the purpose of this section, "reductions" means the
 141.19 greenhouse gas emissions-reductions ~~goals~~ goal specified in section 216H.02, subdivision
 141.20 1.

141.21 Subd. 2. **Purpose.** This section is intended to create a nonexclusive, regular,
 141.22 mandated process for the state to develop policies to attain the greenhouse gas reduction
 141.23 ~~goals~~ goal specified in section 216H.02.

141.24 Subd. 3. **Biennial report.** (a) By January 15 of each odd-numbered year, the
 141.25 commissioners of commerce and the Pollution Control Agency shall jointly report to the
 141.26 chairs and ranking minority members of the legislative committees with primary policy
 141.27 jurisdiction over energy and environmental issues the most recent and best available
 141.28 evidence identifying the level of reductions already achieved and the ~~level necessary to~~
 141.29 ~~achieve the~~ prospects for achieving future reductions timetable in section 216H.02.

141.30 (b) The report must be in easily understood nontechnical terms.

141.31 Subd. 5. **Reduction principles.** Legislation proposed under subdivision 4 must be
 141.32 based on the following principles:

141.33 (1) the greenhouse gas emissions-reduction ~~goals~~ goal specified in section 216H.02,
 141.34 subdivision 1, must be ~~attained~~ pursued;

- 142.1 (2) ~~the reductions must be attained on a schedule that keeps pace with the reduction~~
142.2 ~~timetable required by section 216H.02, subdivision 1;~~
- 142.3 (3) conservation, including ceasing some activities, doing some activities less, and
142.4 doing some activities more energy efficiently, is the first choice for reduction;
- 142.5 ~~(4)~~ (3) public education is a key component;
- 142.6 ~~(5)~~ (4) all levels of government should lead by example;
- 142.7 ~~(6)~~ (5) strategies that may lead to economic dislocation should be phased in and
142.8 should be coupled with strategies that address the dislocation; and
- 142.9 (7) (6) there must be coordination with other federal and regional greenhouse gas
142.10 emissions-reduction requirements so that the state benefits and is not penalized from its
142.11 reduction activities.

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

142.13 Sec. 7. **[216H.077] REQUIREMENT FOR LEGISLATIVE APPROVAL.**

142.14 The commissioner of the Pollution Control Agency may not submit a plan to the
142.15 federal Environmental Protection Agency to comply with the proposed rule for the federal
142.16 Clean Power Plan for Existing Power Plants, as published in the Federal Register on June
142.17 18, 2014, Docket No. EPA-HQ-OAR-2013-0602, or any final rule issued in that docket or
142.18 federal order pertaining thereto, unless the plan has been approved by state law.

142.19 Sec. 8. **REPEALER.**

142.20 Minnesota Statutes 2014, section 216H.02, subdivisions 2, 3, 4, 5, and 6, are repealed.

142.21 **ARTICLE 11**

142.22 **MISCELLANEOUS ENERGY POLICY**

142.23 Section 1. Minnesota Statutes 2014, section 3.8851, subdivision 7, is amended to read:

142.24 Subd. 7. **Assessment; appropriation.** (a) Upon request by the cochairs of the
142.25 commission, the commissioner of commerce shall assess the amount requested for the
142.26 operation of the commission, not to exceed ~~\$250,000~~ \$150,000 in a fiscal year, from the
142.27 following sources:

142.28 (1) 50 percent of the assessment must come from all public utilities, municipal
142.29 utilities, electric cooperative associations, generation and transmission cooperative electric
142.30 associations, and municipal power agencies providing electric or natural gas services
142.31 in Minnesota; and

143.1 (2) 50 percent of the assessment must come from all bulk terminals located in this
143.2 state from which petroleum products and liquid petroleum gas are dispensed.

143.3 (b) The commissioner of commerce shall apportion the assessment amount requested
143.4 among the entities in paragraph (a), clause (1), in proportion to their respective gross
143.5 operating revenues from energy sold within the state during the most recent calendar year.

143.6 (c) The commissioner of commerce shall apportion the assessment amount requested
143.7 equally among the referenced entities in paragraph (a), clause (2).

143.8 (d) The entities in paragraph (a), clause (1), must provide information to the
143.9 commissioner of commerce to allow for calculation of the assessment.

143.10 (e) The assessments under this subdivision are in addition to assessments made
143.11 under section 216B.62. The amount assessed under this section must be deposited in
143.12 the Legislative Energy Commission account in the special revenue fund. Funds in the
143.13 Legislative Energy Commission account are appropriated to the director of the Legislative
143.14 Coordinating Commission for the purposes of this section, and are available until
143.15 expended. Utilities selling gas and electric service at retail must be assessed and billed
143.16 in accordance with the procedures provided in section 216B.62, to the extent that these
143.17 procedures do not conflict with this subdivision.

143.18 (f) The commission shall provide a detailed report of its income and expenses in the
143.19 prior calendar year by January 1 of each year to the standing committees of the house of
143.20 representatives and the senate with jurisdiction over energy issues.

143.21 Sec. 2. Minnesota Statutes 2014, section 12A.15, subdivision 1, is amended to read:

143.22 Subdivision 1. **State cost-share for federal assistance.** State appropriations may be
143.23 used to pay 100 percent of the nonfederal share for state agencies ~~and~~₂ local governments₂
143.24 and utility cooperatives under section 12.221. An appropriation from the bond proceeds
143.25 fund may be used as cost-share for federal disaster assistance for publicly owned capital
143.26 improvement projects.

143.27 Sec. 3. Minnesota Statutes 2014, section 216B.16, subdivision 6, is amended to read:

143.28 Subd. 6. **Factors considered, generally.** The commission, in the exercise of its
143.29 powers under this chapter to determine just and reasonable rates for public utilities, shall
143.30 give due consideration to the public need for adequate, efficient, and reasonable service
143.31 and to the need of the public utility for revenue sufficient to enable it to meet the cost of
143.32 furnishing the service, including adequate provision for depreciation of its utility property
143.33 used and useful in rendering service to the public, and to earn a fair and reasonable return
143.34 upon the investment in such property. In determining the rate base upon which the utility

144.1 is to be allowed to earn a fair rate of return, the commission shall give due consideration to
144.2 evidence of the cost of the property when first devoted to public use, to prudent acquisition
144.3 cost to the public utility less appropriate depreciation on each, to construction work in
144.4 progress, to offsets in the nature of capital provided by sources other than the investors,
144.5 and to other expenses of a capital nature. For purposes of determining rate base, the
144.6 commission shall consider the original cost of utility property included in the base and shall
144.7 make no allowance for its estimated current replacement value. If the commission orders a
144.8 generating facility to terminate its operations before the end of the facility's physical life
144.9 in order to comply with a specific state or federal energy statute or policy, the commission
144.10 shall allow the public utility to recover the positive net book value of the facility.

144.11 Sec. 4. Minnesota Statutes 2014, section 216B.16, subdivision 7b, is amended to read:

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

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

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

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

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

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

144.32 (2) allows the utility to recover charges incurred under a federally approved tariff that
144.33 accrue from other transmission owners' regionally planned transmission projects that have
144.34 been determined by the Midcontinent Independent System Operator to benefit the utility
144.35 or integrated transmission system. These charges must be reduced or offset by revenues

145.1 received by the utility and by amounts the utility charges to other regional transmission
145.2 owners, to the extent those revenues and charges have not been otherwise offset;

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

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

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

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

145.14 ~~(5)~~ (7) provides a current return on construction work in progress, provided that
145.15 recovery from Minnesota retail customers for the allowance for funds used during
145.16 construction is not sought through any other mechanism;

145.17 ~~(6)~~ (8) allows for recovery of other expenses if shown to promote a least-cost project
145.18 option or is otherwise in the public interest;

145.19 ~~(7)~~ (9) allocates project costs appropriately between wholesale and retail customers;

145.20 ~~(8)~~ (10) provides a mechanism for recovery above cost, if necessary to improve the
145.21 overall economics of the project or projects or is otherwise in the public interest; and

145.22 ~~(9)~~ (11) terminates recovery once costs have been fully recovered or have otherwise
145.23 been reflected in the utility's general rates.

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

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

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

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

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

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

145.33 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in
145.34 paragraph (b), the commission shall approve the annual rate adjustments provided that,
145.35 after notice and comment, the costs included for recovery through the tariff were or are

146.1 expected to be prudently incurred and achieve transmission system improvements at the
146.2 lowest feasible and prudent cost to ratepayers.

146.3 Sec. 5. Minnesota Statutes 2014, section 216B.16, subdivision 8, is amended to read:

146.4 Subd. 8. **Advertising expense.** (a) The commission shall disapprove the portion of
146.5 any rate which makes an allowance directly or indirectly for expenses incurred by a public
146.6 utility to provide a public advertisement which:

146.7 (1) is designed to influence or has the effect of influencing public attitudes toward
146.8 legislation or proposed legislation, or toward a rule, proposed rule, authorization or
146.9 proposed authorization of the Public Utilities Commission or other agency of government
146.10 responsible for regulating a public utility;

146.11 (2) is designed to justify or otherwise support or defend a rate, proposed rate,
146.12 practice or proposed practice of a public utility;

146.13 (3) is designed primarily to promote consumption of the services of the utility,
146.14 except for the promotion of:

146.15 (i) electric vehicles;

146.16 (ii) electric water heaters that are electronically activated by a utility to operate when
146.17 low-priced electricity generated from a renewable source is available;

146.18 (iii) ground or air source heat pumps that displace propane or fuel oil; or

146.19 (iv) vehicles fueled with compressed natural gas;

146.20 (4) is designed primarily to promote good will for the public utility or improve the
146.21 utility's public image; or

146.22 (5) is designed to promote the use of nuclear power or to promote a nuclear waste
146.23 storage facility.

146.24 (b) The commission may approve a rate which makes an allowance for expenses
146.25 incurred by a public utility to disseminate information which:

146.26 (1) is designed to encourage conservation of energy supplies;

146.27 (2) is designed to promote safety; or

146.28 (3) is designed to inform and educate customers as to financial services made
146.29 available to them by the public utility.

146.30 (c) The commission shall not withhold approval of a rate because it makes an
146.31 allowance for expenses incurred by the utility to disseminate information about corporate
146.32 affairs to its owners.

146.33 (d) For the purposes of this subdivision:

146.34 (1) "electric vehicle" has the meaning given in section 169.011, subdivision 26a; and

147.1 (2) "renewable source" has the meaning given to "eligible energy technology" in
147.2 section 216B.1691, subdivision 1.

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

147.4 Sec. 6. Minnesota Statutes 2014, section 216B.16, subdivision 12, is amended to read:

147.5 Subd. 12. **Exemption for small gas utility franchise.** (a) A municipality may file
147.6 with the commission a resolution of its governing body requesting exemption from the
147.7 provisions of this section for a public utility that is under a franchise with the municipality
147.8 to supply natural, manufactured, or mixed gas and that serves 650 or fewer customers in
147.9 the municipality as long as the public utility serves no more than a total of ~~2,000~~ 5,000
147.10 customers.

147.11 (b) The commission shall grant an exemption from this section for that portion of
147.12 a public utility's business that is requested by each municipality it serves. Furthermore,
147.13 the commission shall also grant the public utility an exemption from this section for any
147.14 service provided outside of a municipality's border that is considered by the commission
147.15 to be incidental. The public utility shall file with the commission and the department
147.16 all initial and subsequent changes in rates, tariffs, and contracts for service outside the
147.17 municipality at least 30 days in advance of implementation.

147.18 (c) However, the commission shall require the utility to adopt the commission's
147.19 policies and procedures governing disconnection during cold weather. The utility shall
147.20 annually submit a copy of its municipally approved rates to the commission.

147.21 (d) In all cases covered by this subdivision in which an exemption for service outside
147.22 of a municipality is granted, the commission may initiate an investigation under section
147.23 216B.17, on its own motion or upon complaint from a customer.

147.24 (e) If a municipality files with the commission a resolution of its governing body
147.25 rescinding the request for exemption, the commission shall regulate the public utility's
147.26 business in that municipality under this section.

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

147.28 Sec. 7. Minnesota Statutes 2014, section 216B.16, subdivision 19, is amended to read:

147.29 Subd. 19. **Multiyear rate plan.** (a) A public utility may propose, and the
147.30 commission may approve, approve as modified, or reject, a multiyear rate plan as provided
147.31 in this subdivision. The term "multiyear rate plan" refers to a plan establishing the rates
147.32 the utility may charge for each year of the specified period of years, which cannot exceed
147.33 ~~three~~ five years, to be covered by the plan.

148.1 (b) A utility proposing a multiyear rate plan shall provide a general description of
148.2 the utility's major planned investments over the plan period. The commission may also
148.3 require the utility to provide a set of reasonable performance measures and incentives that
148.4 are quantifiable, verifiable, and consistent with state energy policies. The commission
148.5 may allow the utility to adjust recovery of its cost of capital or other costs in a reasonable
148.6 manner within the plan period.

148.7 (c) The utility may propose:

148.8 (1) recovery of the utility's forecasted rate base, based on a formula, a budget
148.9 forecast, or a fixed escalation rate, individually or in combination. The forecasted rate
148.10 base must include the utility's planned capital investments and investment-related costs,
148.11 including income tax impacts, depreciation and property taxes, as well as forecasted
148.12 capacity-related costs from purchased power agreements that are not recovered through
148.13 section 216B.16, subdivision 7;

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

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

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

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

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

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

148.35 ~~(e)~~ (g) The commission may, by order, establish terms, conditions, and procedures
148.36 for a multiyear rate plan necessary to implement this section and ensure that rates remain

149.1 just and reasonable during the course of the plan, including terms and procedures for rate
149.2 adjustment. At any time prior to conclusion of a multiyear rate plan, the commission,
149.3 upon its own motion or upon petition of any party, has the discretion to examine the
149.4 reasonableness of the utility's rates under the plan, and adjust rates as necessary.

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

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

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

149.13 Sec. 8. **[216B.1616] ELECTRIC VEHICLE REBATES.**

149.14 Subdivision 1. **Definition.** For the purposes of this section, "electric vehicle" has the
149.15 meaning given in section 169.011, subdivision 26a, paragraph (a).

149.16 Subd. 2. **Program.** (a) The commissioner of commerce shall develop and
149.17 implement a program to provide rebates to electric vehicle owners who meet the eligibility
149.18 requirements of subdivision 3.

149.19 (b) Applications for rebates under this section shall be filed with the commissioner
149.20 on a form developed by the commissioner. The commissioner shall develop administrative
149.21 procedures governing the application and rebate award process. Applications will be
149.22 reviewed and rebates awarded on a first-come, first-served basis.

149.23 Subd. 3. **Eligibility.** The purchaser of an electric vehicle is eligible for a \$2,500
149.24 rebate under this section if:

149.25 (1) the electric vehicle:

149.26 (i) has not been previously owned;

149.27 (ii) has not been modified from the original manufacturer's specifications; and

149.28 (iii) is purchased after the effective date of this act for use by the purchaser and
149.29 not for resale; and

149.30 (2) the purchaser:

149.31 (i) is a natural person who is a resident of Minnesota, as defined in section 290.01,
149.32 subdivision 7, paragraph (a), when the electric vehicle is purchased;

149.33 (ii) has not received a rebate or tax credit for the purchase of the same electric
149.34 vehicle from another state;

149.35 (iii) registers the electric vehicle in Minnesota; and

150.1 (iv) is an electric service customer of the utility subject to section 116C.779.

150.2 **Sec. 9. [216B.1638] RECOVERY OF NATURAL GAS EXTENSION PROJECT**
150.3 **COSTS.**

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

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

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

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

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

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

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

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

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

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

150.32 (b) The petition shall include:

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

- 151.1 (2) the project's construction schedule;
151.2 (3) the proposed project budget;
151.3 (4) the amount of any contributions in aid of construction;
151.4 (5) a description of efforts made by the public utility to offset the revenue deficiency
151.5 through contributions in aid to construction;
151.6 (6) the amount of the revenue deficiency, and how recovery of the revenue deficiency
151.7 will be allocated among industrial, commercial, residential, and transport customers;
151.8 (7) the proposed method to be used to recover the revenue deficiency from each
151.9 customer class, such as a flat fee, a volumetric charge, or another form of recovery;
151.10 (8) the proposed termination date of the rider to recover the revenue deficiency; and
151.11 (9) a description of benefits to the public utility's existing natural gas customers that
151.12 will accrue from the natural gas extension project.

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

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

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

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

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

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

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

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

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

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

- 152.1 (2) the total cost of each project;
152.2 (3) rate impacts of the cost recovery mechanism; and
152.3 (4) an assessment of the effectiveness of the cost recovery mechanism in realizing
152.4 increased natural gas service to unserved or inadequately served areas from natural gas
152.5 extension projects.

152.6 Sec. 10. **[216B.1647] PROPERTY TAX ADJUSTMENT; COOPERATIVE**
152.7 **ASSOCIATION.**

152.8 A cooperative electric association that has elected to be subject to rate regulation
152.9 under section 216B.026 is eligible to file with the commission for approval an adjustment
152.10 for real personal property taxes, fees, and permits.

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

152.12 Sec. 11. **[216B.1696] COMPETITIVE RATE FOR ENERGY-INTENSIVE**
152.13 **TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**

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

152.16 (b) "Clean energy technology" is energy technology that generates electricity from a
152.17 noncarbon-emitting resource, including but not limited to solar, wind, hydroelectric,
152.18 and nuclear.

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

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

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

152.24 (3) a copper, nickel, or precious metals mining extraction and processing facility;

152.25 (4) a steel mill and related facilities;

152.26 (5) an oil and liquids pipeline;

152.27 (6) a ceiling panel manufacturer; and

152.28 (7) any other globally competitive electric utility customer who can demonstrate
152.29 that energy costs are a significant portion of the customer's overall cost of production and
152.30 impede the customer's ability to compete in the global market.

152.31 (d) "EITE rate schedule" means a rate schedule of an investor-owned electric
152.32 utility that establishes the terms of service for an individual or group of energy-intensive,
152.33 trade-exposed customers.

153.1 (e) "EITE rate" means the rate or rates offered by the utility under an EITE rate
153.2 schedule.

153.3 Subd. 2. **Rates and terms of EITE rate schedule.** (a) It is the energy policy
153.4 of the state of Minnesota to promote competitive electric rates for energy-intensive,
153.5 trade-exposed customers, as provided in this section. To achieve this objective, an
153.6 investor-owned electric utility may propose an EITE rate schedule for commission
153.7 approval that includes various EITE rate options, including fixed rates, market-based rates,
153.8 and rates to encourage utilization of clean energy technology.

153.9 (b) Notwithstanding section 216B.03, 216B.05, 216B.06, 216B.07, or 216B.16, the
153.10 commission shall approve a proposed EITE rate schedule if it finds the schedule provides
153.11 net benefits to the utility and its customers, considering among other things:

153.12 (1) potential cost impacts to the utility customers;

153.13 (2) the net benefit to the local or state economy through the retention of or increase
153.14 to existing jobs;

153.15 (3) a net increase in economic development in the utility's service territory; and

153.16 (4) avoiding a significant increase in rates due to a reduction of EITE customer load.

153.17 (c) An EITE rate offered by an electric utility under an approved EITE rate schedule
153.18 must be filed with the commission. The commission shall review and approve the EITE
153.19 rate offered by an electric utility if it finds the rate provides net benefits to the utility and
153.20 its customers as described above. The commission shall make a final determination in
153.21 any proceeding begun under this section within 90 days of a miscellaneous rate filing by
153.22 the electric utility.

153.23 (d) Upon approval of an EITE rate, the utility may recover the incremental costs
153.24 associated with providing service to a customer under the EITE rate from the utility's
153.25 nonenergy-intensive, trade-exposed customers, except low-income residential ratepayers,
153.26 as defined in section 216B.16, subdivision 15.

153.27 Sec. 12. Minnesota Statutes 2014, section 216B.2425, is amended to read:

153.28 **216B.2425 STATE TRANSMISSION AND DISTRIBUTION PLAN.**

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

153.31 Subd. 2. **List development; transmission projects report.** (a) By November
153.32 1 of each odd-numbered year, a transmission projects report must be submitted to the
153.33 commission by each utility, organization, or company that:

154.1 (1) is a public utility, a municipal utility, a cooperative electric association, the
154.2 generation and transmission organization that serves each utility or association, or a
154.3 transmission company; and

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

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

154.8 (c) The report must:

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

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

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

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

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

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

154.29 Subd. 3. **Commission approval.** By June 1 of each even-numbered year, the
154.30 commission shall adopt a state transmission project list and shall certify, certify as
154.31 modified, or deny certification of the transmission and distribution projects proposed
154.32 under subdivision 2. The commission may only certify a project that is a high-voltage
154.33 transmission line as defined in section 216B.2421, subdivision 2, that the commission
154.34 finds is:

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

155.1 (2) needed, applying the criteria in section 216B.243, subdivision 3; and
 155.2 (3) in the public interest, taking into account electric energy system needs and
 155.3 economic, environmental, and social interests affected by the project.

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

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

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

155.12 Subd. 7. **Transmission needed to support renewable resources.** (a) Each entity
 155.13 subject to this section shall determine necessary transmission upgrades to support
 155.14 development of renewable energy resources required to meet objectives under section
 155.15 216B.1691 and shall include those upgrades in its report under subdivision 2.

155.16 (b) MS 2008 [Expired]

155.17 Subd. 8. **Distribution study for distributed generation.** Each entity subject to
 155.18 this section that is operating under a multiyear rate plan approved under section 216B.16,
 155.19 subdivision 19, shall conduct a distribution study to identify interconnection points on its
 155.20 distribution system for small-scale distributed generation resources and identify necessary
 155.21 distribution upgrades to support the continued development of distributed generation
 155.22 resources. The study shall be included in its report required under subdivision 2.

155.23 Sec. 13. Minnesota Statutes 2014, section 216B.243, subdivision 3b, is amended to read:

155.24 Subd. 3b. ~~Nuclear power plant; new construction prohibited; relicensing~~
 155.25 **Additional storage of spent nuclear fuel.** (a) ~~The commission may not issue a certificate~~
 155.26 ~~of need for the construction of a new nuclear-powered electric generating plant.~~

155.27 (b) Any certificate of need for additional storage of spent nuclear fuel for a facility
 155.28 seeking a license extension shall address the impacts of continued operations over the
 155.29 period for which approval is sought.

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

155.31 Sec. 14. **[216C.391] PROPANE AND NATURAL GAS VEHICLES; REBATE**
 155.32 **PROGRAM.**

155.33 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms below
 155.34 have the meanings given them.

156.1 (b) "Bi-fuel natural gas vehicle" means a vehicle capable of using compressed
156.2 natural gas or gasoline as a fuel.

156.3 (c) "Bi-fuel propane vehicle" means a vehicle capable of using propane or gasoline
156.4 as a fuel.

156.5 (d) "Bus" has the meaning given in section 168.002, subdivision 4.

156.6 (e) "Compressed natural gas" means natural gas compressed to less than one percent
156.7 of the volume it occupies at standard atmospheric pressure.

156.8 (f) "Converted" means a vehicle, originally manufactured to be fueled solely with
156.9 gasoline or diesel fuel, that has been modified by the installation of new equipment,
156.10 including but not limited to injectors, regulators, and a fuel tank, to be a natural gas or
156.11 propane vehicle.

156.12 (g) "Dual-fuel natural gas vehicle" means a vehicle capable of using compressed
156.13 natural gas and diesel fuel as a fuel.

156.14 (h) "Dual-fuel propane vehicle" means a vehicle capable of using propane and
156.15 diesel fuel as a fuel.

156.16 (i) "Heavy-duty vehicle" means a truck, van, or bus with a gross vehicle weight
156.17 rating of 26,001 pounds or greater.

156.18 (j) "Incremental cost" means:

156.19 (1) the cost to convert a vehicle that was originally manufactured to be fueled with
156.20 gasoline or diesel fuel to a propane or natural gas vehicle; or

156.21 (2) the difference between the cost of a vehicle originally manufactured to be fueled
156.22 with gasoline or diesel fuel and the cost of the same or similar vehicle manufactured to
156.23 operate exclusively on propane or compressed natural gas.

156.24 (k) "Light-duty vehicle" means a truck, van, or bus with a gross vehicle weight
156.25 rating up to 10,000 pounds.

156.26 (l) "Medium-duty vehicle" means a truck, van, or bus with a gross vehicle weight
156.27 rating of 10,001 pounds to 26,000 pounds.

156.28 (m) "Natural gas vehicle" means a vehicle capable of using compressed natural gas
156.29 as a fuel, including a bi-fuel and dual-fuel natural gas vehicle.

156.30 (n) "Propane vehicle" means a vehicle capable of using propane as a fuel, including
156.31 a bi-fuel and dual-fuel propane vehicle.

156.32 (o) "Truck" has the meaning given in section 168.002, subdivision 37.

156.33 (p) "Van" has the meaning given in section 168.002, subdivision 40.

156.34 (q) "Vehicle" means a truck, van, or bus.

156.35 Subd. 2. **Program.** (a) The commissioner of commerce shall develop and implement
156.36 a program to provide rebates to eligible vehicle owners for the purchase of vehicles that are:

157.1 (1) new vehicles that have not been modified from the original manufacturer's
157.2 specifications and that are fueled solely with compressed natural gas or propane; or
157.3 (2) converted vehicles.

157.4 (b) Applications for rebates under this section shall be filed with the commissioner
157.5 on a form developed by the commissioner. The commissioner shall develop administrative
157.6 procedures governing the application and rebate award process. Applications will be
157.7 reviewed and rebates awarded on a first-come, first-served basis.

157.8 Subd. 3. **Eligibility.** The owner of a natural gas or propane vehicle is eligible
157.9 for a rebate under this section if:

157.10 (1) the owner of the natural gas or propane vehicle:

157.11 (i) is a business that has a valid address in Minnesota from which business is
157.12 conducted; or

157.13 (ii) is a county, city, town, or school district, or a transit system eligible for funding
157.14 under section 16A.88;

157.15 (2) the owner of the natural gas or propane vehicle:

157.16 (i) registers the natural gas or propane vehicle in Minnesota; and

157.17 (ii) has not received a rebate or tax credit for the purchase or conversion of the same
157.18 natural gas or propane vehicle from another state;

157.19 (3) the natural gas or propane vehicle:

157.20 (i) is purchased or converted after the effective date of this act; and

157.21 (ii) is used to perform business functions that are integral to the operations of the
157.22 business that owns the compressed natural gas vehicle; and

157.23 (4) the conversion system installed in a converted vehicle:

157.24 (i) complies with the Environmental Protection Agency's final rule on Clean
157.25 Alternative Fuel Vehicle and Engine Conversions, Code of Federal Regulations, title
157.26 40, parts 85 and 86;

157.27 (ii) is installed by a person who has been certified to install the conversion system
157.28 by the manufacturer of the conversion system or a state that certifies persons to install
157.29 conversion systems; and

157.30 (iii) is installed in compliance with the National Fire Protection Association's
157.31 Vehicular Fuel Systems Code (NFPA 52).

157.32 Subd. 4. **Rebate amounts.** A rebate awarded under this section to a purchaser of
157.33 a new or converted natural gas or propane vehicle under this section may amount to no
157.34 more than 50 percent of the incremental cost of:

157.35 (1) a light-duty vehicle, not to exceed \$5,000;

157.36 (2) a medium-duty vehicle, not to exceed \$8,000; or

158.1 (3) a heavy-duty vehicle, not to exceed \$20,000.

158.2 Subd. 5. **Maximum rebate amounts.** The maximum amount of rebates allowed
158.3 to a single business, county, city, town, or school district per year under this section are
158.4 as follows:

158.5 (1) no more than \$50,000 for light- and medium-duty vehicles; and

158.6 (2) no more than \$100,000 for heavy-duty vehicles.

158.7 Sec. 15. **TRANSFER OF FUNCTIONS; STUDY.**

158.8 (a) The commissioner of the Department of Administration shall contract with
158.9 the Management, Analysis, and Development Division of Minnesota Management and
158.10 Budget for a study to examine potential cost savings and program efficiencies that may
158.11 result from transferring certain functions and staff of the division of energy resources in
158.12 the Department of Commerce to the Public Utilities Commission. In conducting the study,
158.13 the Management, Analysis, and Development Division must:

158.14 (1) analyze the functions of the various offices of both the division of energy
158.15 resources and the commission;

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

158.17 (3) assess whether transferring specific functions and staff would result in a clearer
158.18 and more functional link between authority and responsibility for accomplishing various
158.19 activities;

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

158.22 (5) determine which specific positions, including administrative support, could be
158.23 eliminated as a result of the transfer without appreciably diminishing the quantity or
158.24 quality of work produced;

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

158.27 (7) estimate any cost savings that would accrue to regulated utilities as a result
158.28 of transferring functions;

158.29 (8) assess the benefits and costs of various options with respect to transferring
158.30 functions and staff; and

158.31 (9) assume that any transfer is subject to the provisions of Minnesota Statutes,
158.32 section 15.039.

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

159.1 Sec. 16. **TRANSFER OF DUTIES; ADVISORY TASK FORCE.**

159.2 (a) An advisory task force is established to examine transferring the provision of
159.3 low-income heating assistance and weatherization programs for low-income households
159.4 from community action agencies currently performing those functions to other
159.5 organizations.

159.6 (b) The governor, the president and minority leader of the senate, and the speaker
159.7 and minority leader of the house of representatives shall, by July 1, 2015, each appoint
159.8 one member of the advisory task force. The executive director of the Legislative Energy
159.9 Commission shall serve as staff for the task force. Members of the task force shall not
159.10 receive compensation.

159.11 (c) In determining its findings and recommendations, the advisory task force shall
159.12 examine the organizations used by other states to provide low-income heating assistance
159.13 and weatherization programs.

159.14 (d) The advisory task force shall present its findings and recommendations in a
159.15 report submitted by January 15, 2016, to the chairs and ranking minority members of the
159.16 senate and house committees with jurisdiction over energy policy.

159.17 (e) The advisory task force established under this section expires on June 30, 2016.

159.18 Sec. 17. **PUBLIC POWER AUTHORITY; STUDY.**

159.19 (a) The commissioner of employment and economic development shall contract
159.20 with an independent consulting organization with experience in energy to conduct a study
159.21 examining the feasibility and potential costs and benefits of creating a state public power
159.22 authority with the authority to:

159.23 (1) construct, own, and operate electric generation and transmission facilities;

159.24 (2) allocate low-cost power it generates or purchases to Minnesota retail customers;

159.25 (3) finance energy efficiency projects in public buildings; and

159.26 (4) perform related tasks.

159.27 (b) The analysis must examine the structure, funding, and authority of similar
159.28 organizations in other states and countries. The report must be submitted no later than
159.29 February 15, 2016, to the chairs and ranking minority members of the senate and house of
159.30 representatives committees with primary jurisdiction over energy policy.

159.31 Sec. 18. **UTILITY PRICE INCREASES; REPORT.**

159.32 By November 1, 2015, each utility that sells electricity at retail in this state shall
159.33 submit a report to the chairs and ranking minority members of the senate and house
159.34 committees with primary jurisdiction over energy policy that describes specific Minnesota

160.1 statutes, rules, procedures, and decisions made by the Public Utilities Commission
160.2 and the Department of Commerce that contribute to higher electricity rates without
160.3 providing significant value to Minnesota ratepayers. The report shall include specific
160.4 recommendations for change.

160.5 Sec. 19. **REPEALER.**

160.6 Minnesota Statutes 2014, section 3.8852, is repealed.

160.7 **ARTICLE 12**

160.8 **CONFORMING CHANGES**

160.9 Section 1. Minnesota Statutes 2014, section 3.8851, subdivision 3, is amended to read:

160.10 Subd. 3. **Duties.** (a) The commission shall continuously evaluate the energy policies
160.11 of this state and the degree to which they promote an environmentally and economically
160.12 sustainable energy future. The commission shall monitor the state's progress in achieving
160.13 its goals to develop renewable sources of electric energy under section 216B.1691,
160.14 subdivision 2a, and the progress of energy-related sectors in reducing greenhouse gas
160.15 emissions under the state's greenhouse gas emissions-reductions ~~goals~~ goal established in
160.16 section 216H.02, subdivision 1. The commission may review proposed energy legislation
160.17 and may recommend legislation. The commission shall when feasible solicit and consider
160.18 public testimony regarding the economic, environmental, and social implications of state
160.19 energy plans and policies. Notwithstanding any other law to the contrary the commission's
160.20 evaluations and reviews under this subdivision shall include new and existing technologies
160.21 for nuclear power.

160.22 (b) The commission may study, analyze, hold hearings, and make legislative
160.23 recommendations regarding the following issues:

160.24 (1) the generation, transmission, and distribution of electricity;

160.25 (2) the reduction of greenhouse gas emissions;

160.26 (3) the conservation of energy;

160.27 (4) alternative energy sources available to replace dwindling fossil fuel and other
160.28 nonrenewable fuel sources;

160.29 (5) the development of renewable energy supplies;

160.30 (6) the economic development potential associated with issues described in clauses
160.31 (1) to (5); and

160.32 (7) other energy-related subjects the commission finds significant.

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

161.1 Sec. 2. Minnesota Statutes 2014, section 116C.7791, subdivision 5, is amended to read:

161.2 Subd. 5. **Rebate program funding.** (a) The following amounts must be allocated
161.3 ~~from the renewable development account established in section 116C.779~~by the utility to
161.4 a separate account for the purpose of providing the rebates for solar photovoltaic modules
161.5 specified in this section:

161.6 (1) \$2,000,000 in fiscal year 2011;

161.7 (2) \$4,000,000 in fiscal year 2012;

161.8 (3) \$5,000,000 in fiscal year 2013;

161.9 (4) \$5,000,000 in fiscal year 2014; and

161.10 (5) \$5,000,000 in fiscal year 2015.

161.11 (b) If, by the end of fiscal year 2015, insufficient qualified owners have applied for
161.12 and met the requirements for rebates under this section to exhaust the funds available, any
161.13 remaining balance shall be returned to the account established under section 116C.779.

161.14 Sec. 3. Minnesota Statutes 2014, section 116J.437, subdivision 1, is amended to read:

161.15 Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms
161.16 have the meanings given.

161.17 (b) "Green economy" means products, processes, methods, technologies, or services
161.18 intended to do one or more of the following:

161.19 (1) increase the use of energy from renewable sources, including through achieving
161.20 the ~~renewable~~ advanced energy standard established in section 216B.1691;

161.21 (2) achieve the statewide energy-savings goal established in section 216B.2401,
161.22 including energy savings achieved by the conservation investment program under section
161.23 216B.241;

161.24 (3) achieve the greenhouse gas emission reduction ~~goals~~ goal of section 216H.02,
161.25 subdivision 1, including through reduction of greenhouse gas emissions, as defined in
161.26 section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through,
161.27 but not limited to, carbon capture, storage, or sequestration;

161.28 (4) monitor, protect, restore, and preserve the quality of surface waters, including
161.29 actions to further the purposes of the Clean Water Legacy Act as provided in section
161.30 114D.10, subdivision 1;

161.31 (5) expand the use of biofuels, including by expanding the feasibility or reducing the
161.32 cost of producing biofuels or the types of equipment, machinery, and vehicles that can
161.33 use biofuels, including activities to achieve the petroleum replacement goal in section
161.34 239.7911; or

161.35 (6) increase the use of green chemistry, as defined in section 116.9401.

162.1 For the purpose of clause (3), "green economy" includes strategies that reduce carbon
162.2 emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass
162.3 transit or otherwise reducing commuting for employees.

162.4 Sec. 4. Minnesota Statutes 2014, section 216B.164, subdivision 3a, is amended to read:

162.5 Subd. 3a. **Net metered facility.** (a) ~~Except for customers receiving a value of solar~~
162.6 ~~rate under subdivision 10,~~ A customer with a net metered facility having a capacity of
162.7 40 kilowatts or greater but less than 1,000 kilowatts that is interconnected to a public
162.8 utility may elect to be compensated for the customer's net input into the utility system
162.9 in the form of a kilowatt-hour credit on the customer's energy bill carried forward and
162.10 applied to subsequent energy bills. Any net input supplied by the customer into the utility
162.11 system that exceeds energy supplied to the customer by the utility during a calendar year
162.12 must be compensated at the applicable rate.

162.13 (b) A public utility may not impose a standby charge on a net metered or qualifying
162.14 facility:

162.15 (1) of 100 kilowatts or less capacity; or

162.16 (2) of more than 100 kilowatts capacity, except in accordance with an order of the
162.17 commission establishing the allowable costs to be recovered through standby charges.

162.18 Sec. 5. Minnesota Statutes 2014, section 216B.1645, subdivision 1, is amended to read:

162.19 Subdivision 1. **Commission authority.** Upon the petition of a public utility, the
162.20 Public Utilities Commission shall approve or disapprove power purchase contracts,
162.21 investments, or expenditures entered into or made by the utility to satisfy the wind and
162.22 biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and
162.23 to satisfy the renewable advanced energy objectives and standards set forth in section
162.24 216B.1691, including reasonable investments and expenditures made to:

162.25 (1) transmit the electricity generated from sources developed under those sections
162.26 that is ultimately used to provide service to the utility's retail customers, including
162.27 studies necessary to identify new transmission facilities needed to transmit electricity to
162.28 Minnesota retail customers from generating facilities constructed to satisfy the renewable
162.29 advanced energy objectives and standards, provided that the costs of the studies have not
162.30 been recovered previously under existing tariffs and the utility has filed an application
162.31 for a certificate of need or for certification as a priority project under section 216B.2425
162.32 for the new transmission facilities identified in the studies;

162.33 (2) provide storage facilities for renewable energy generation facilities that
162.34 contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

163.1 (3) develop renewable energy sources from the account required in section 116C.779.

163.2 Sec. 6. Minnesota Statutes 2014, section 216B.241, subdivision 5c, is amended to read:

163.3 Subd. 5c. **Large solar electric generating plant.** (a) For the purpose of this
163.4 subdivision:

163.5 (1) "project" means a solar electric generation project consisting of arrays of solar
163.6 photovoltaic cells with a capacity of up to two megawatts located on the site of a closed
163.7 landfill in Olmsted County owned by the Minnesota Pollution Control Agency; and

163.8 (2) "cooperative electric association" means a generation and transmission
163.9 cooperative electric association that has a member distribution cooperative association to
163.10 which it provides wholesale electric service in whose service territory a project is located.

163.11 (b) A cooperative electric association may elect to count all of its purchases of
163.12 electric energy from a project toward only one of the following:

163.13 (1) its energy-savings goal under subdivision 1c; or

163.14 (2) its advanced energy objective or standard under section 216B.1691.

163.15 (c) A cooperative electric association may include in its conservation plan purchases
163.16 of electric energy from a project. The cost-effectiveness of project purchases may be
163.17 determined by a different standard than for other energy conservation improvements
163.18 under this section if the commissioner determines that doing so is in the public interest
163.19 in order to encourage solar energy. The kilowatt hours of solar energy purchased by a
163.20 cooperative electric association from a project may count for up to 33 percent of its one
163.21 percent savings goal under subdivision 1c or up to 22 percent of its 1.5 percent savings
163.22 goal under that subdivision. Expenditures made by a cooperative association for the
163.23 purchase of energy from a project may not be used to meet the revenue expenditure
163.24 requirements of subdivisions 1a and 1b.

163.25 Sec. 7. Minnesota Statutes 2014, section 216B.241, subdivision 9, is amended to read:

163.26 Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The
163.27 purpose of this subdivision is to establish cost-effective energy-efficiency performance
163.28 standards for new and substantially reconstructed commercial, industrial, and institutional
163.29 buildings that can significantly reduce carbon dioxide emissions by lowering energy use in
163.30 new and substantially reconstructed buildings. For the purposes of this subdivision, the
163.31 establishment of these standards may be referred to as Sustainable Building 2030.

163.32 (b) The commissioner shall contract with the Center for Sustainable Building
163.33 Research at the University of Minnesota to coordinate development and implementation
163.34 of energy-efficiency performance standards, strategic planning, research, data analysis,

164.1 technology transfer, training, and other activities related to the purpose of Sustainable
164.2 Building 2030. The commissioner and the Center for Sustainable Building Research
164.3 shall, in consultation with utilities, builders, developers, building operators, and experts
164.4 in building design and technology, develop a Sustainable Building 2030 implementation
164.5 plan that must address, at a minimum, the following issues:

164.6 (1) training architects to incorporate the performance standards in building design;

164.7 (2) incorporating the performance standards in utility conservation improvement
164.8 programs; and

164.9 (3) developing procedures for ongoing monitoring of energy use in buildings that
164.10 have adopted the performance standards.

164.11 The plan must be submitted to the chairs and ranking minority members of the senate and
164.12 house of representatives committees with primary jurisdiction over energy policy by
164.13 July 1, 2009.

164.14 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,
164.15 quantitative measures of total building energy use and associated carbon dioxide emissions
164.16 per square foot for different building types and uses, that allow for accurate determinations
164.17 of a building's conformance with a performance standard. Performance standards must
164.18 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as
164.19 that infrastructure begins to be made widely available. The energy-efficiency performance
164.20 standards must be updated every three or five years to incorporate all cost-effective
164.21 measures. The performance standards must reflect the reductions in carbon dioxide
164.22 emissions per square foot resulting from actions taken by utilities to comply with the
164.23 renewable advanced energy standards in section 216B.1691. The performance standards
164.24 should be designed to achieve reductions equivalent to the following reduction schedule,
164.25 measured against energy consumption by an average building in each applicable building
164.26 sector in 2003: (1) 60 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020;
164.27 and (4) 90 percent in 2025. A performance standard must not be established or increased
164.28 absent a conclusive engineering analysis that it is cost-effective based upon established
164.29 practices used in evaluating utility conservation improvement programs.

164.30 (d) The annual amount of the contract with the Center for Sustainable Building
164.31 Research is up to \$500,000. The Center for Sustainable Building Research shall expend
164.32 no more than \$150,000 of this amount each year on administration, coordination, and
164.33 oversight activities related to Sustainable Building 2030. The balance of contract funds
164.34 must be spent on substantive programmatic activities allowed under this subdivision that
164.35 may be conducted by the Center for Sustainable Building Research and others, and for
164.36 subcontracts with not-for-profit energy organizations, architecture and engineering firms,

165.1 and other qualified entities to undertake technical projects and activities in support of
165.2 Sustainable Building 2030. The primary work to be accomplished each year by qualified
165.3 technical experts under subcontracts is the development and thorough justification of
165.4 recommendations for specific energy-efficiency performance standards. Additional work
165.5 may include:

165.6 (1) research, development, and demonstration of new energy-efficiency technologies
165.7 and techniques suitable for commercial, industrial, and institutional buildings;

165.8 (2) analysis and evaluation of practices in building design, construction,
165.9 commissioning and operations, and analysis and evaluation of energy use in the
165.10 commercial, industrial, and institutional sectors;

165.11 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable
165.12 Building 2030 performance standards, conservation improvement programs, and building
165.13 energy codes;

165.14 (4) development and delivery of training programs for architects, engineers,
165.15 commissioning agents, technicians, contractors, equipment suppliers, developers, and
165.16 others in the building industries; and

165.17 (5) analysis and evaluation of the effect of building operations on energy use.

165.18 (e) The commissioner shall require utilities to develop and implement conservation
165.19 improvement programs that are expressly designed to achieve energy efficiency goals
165.20 consistent with the Sustainable Building 2030 performance standards. These programs
165.21 must include offerings of design assistance and modeling, financial incentives, and the
165.22 verification of the proper installation of energy-efficient design components in new and
165.23 substantially reconstructed buildings. A utility's design assistance program must consider
165.24 the strategic planting of trees and shrubs around buildings as an energy conservation
165.25 strategy for the designed project. A utility making an expenditure under its conservation
165.26 improvement program that results in a building meeting the Sustainable Building 2030
165.27 performance standards may claim the energy savings toward its energy-savings goal
165.28 established in subdivision 1c.

165.29 (f) The commissioner shall report to the legislature every three years, beginning
165.30 January 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable
165.31 Building 2030 performance standards and shall make recommendations on the need to
165.32 continue the program as described in this section.

165.33 Sec. 8. Minnesota Statutes 2014, section 216B.2411, subdivision 3, is amended to read:

165.34 Subd. 3. **Other provisions.** (a) Electricity generated by a facility constructed with
165.35 funds provided under this section and using an eligible renewable energy source may be

166.1 counted toward the renewable advanced energy objectives standards in section 216B.1691,
166.2 subject to the provisions of that section, ~~except as provided in paragraph (e).~~

166.3 (b) Two or more entities may pool resources under this section to provide assistance
166.4 jointly to proposed eligible renewable energy projects. The entities shall negotiate and
166.5 agree among themselves for allocation of benefits associated with a project, such as
166.6 the ability to count energy generated by a project toward a utility's renewable advance
166.7 energy objectives under section 216B.1691, except as provided in paragraph (c). The
166.8 entities shall provide a summary of the allocation of benefits to the commissioner. A
166.9 utility may spend funds under this section for projects in Minnesota that are outside the
166.10 service territory of the utility.

166.11 (c) Electricity generated by a solar photovoltaic device constructed with funds
166.12 provided under this section may be counted toward a public utility's solar energy standard
166.13 under section 216B.1691, subdivision 2f.

166.14 Sec. 9. Minnesota Statutes 2014, section 216B.2422, subdivision 2c, is amended to read:

166.15 Subd. 2c. **Long-range emission reduction planning.** Each utility required to file a
166.16 resource plan under subdivision 2 shall include in the filing a narrative identifying and
166.17 describing the costs, opportunities, and technical barriers to the utility continuing to make
166.18 progress on its system toward achieving the state greenhouse gas emission reduction ~~goals~~
166.19 goal established in section 216H.02, subdivision 1, and the technologies, alternatives, and
166.20 steps the utility is considering to address those opportunities and barriers.

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

166.22 Sec. 10. Minnesota Statutes 2014, section 216B.2422, subdivision 4, is amended to read:

166.23 Subd. 4. **Preference for renewable energy facility.** The commission shall not
166.24 approve a new or refurbished nonrenewable energy facility in an integrated resource plan
166.25 or a certificate of need, pursuant to section 216B.243, nor shall the commission allow rate
166.26 recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the
166.27 utility has demonstrated that a renewable energy facility is not in the public interest. The
166.28 public interest determination must include whether the resource plan helps the utility
166.29 achieve the greenhouse gas reduction ~~goals~~ goal under section 216H.02; or the renewable
166.30 advanced energy standard under section 216B.1691, or the solar energy standard under
166.31 section 216B.1691, subdivision 2f.

166.32 Sec. 11. Minnesota Statutes 2014, section 216B.2425, subdivision 7, is amended to read:

167.1 Subd. 7. **Transmission needed to support renewable resources.** (a) Each entity
167.2 subject to this section shall determine necessary transmission upgrades to support
167.3 development of renewable energy resources required to meet ~~objectives~~ the advanced
167.4 energy standards under section 216B.1691 and shall include those upgrades in its report
167.5 under subdivision 2.

167.6 (b) MS 2008 [Expired]

167.7 Sec. 12. Minnesota Statutes 2014, section 216B.243, subdivision 9, is amended to read:

167.8 Subd. 9. **Renewable energy standard facilities.** This section does not apply to a
167.9 wind energy conversion system or a solar electric generation facility that is intended to be
167.10 used to meet the ~~obligations~~ advanced energy standards of section 216B.1691; provided
167.11 that, after notice and comment, the commission determines that the facility is a reasonable
167.12 and prudent approach to meeting a utility's obligations under that section. When making
167.13 this determination, the commission must consider:

167.14 (1) the size of the facility relative to a utility's total need for renewable resources;

167.15 (2) alternative approaches for supplying the renewable energy to be supplied by
167.16 the proposed facility;

167.17 (3) the facility's ability to promote economic development, as required under section
167.18 216B.1691, subdivision 9;

167.19 (4) the facility's ability to maintain electric system reliability;

167.20 (5) impacts on ratepayers; and

167.21 (6) other criteria as the commission may determine are relevant.

167.22 Sec. 13. Minnesota Statutes 2014, section 216C.41, subdivision 2, is amended to read:

167.23 Subd. 2. **Incentive payment; appropriation.** (a) Incentive payments must be made
167.24 according to this section to (1) a qualified on-farm biogas recovery facility, (2) the owner or
167.25 operator of a qualified hydropower facility or qualified wind energy conversion facility for
167.26 electric energy generated and sold by the facility, (3) a publicly owned hydropower facility
167.27 for electric energy that is generated by the facility and used by the owner of the facility
167.28 outside the facility, or (4) the owner of a publicly owned dam that is in need of substantial
167.29 repair, for electric energy that is generated by a hydropower facility at the dam and the
167.30 annual incentive payments will be used to fund the structural repairs and replacement of
167.31 structural components of the dam, or to retire debt incurred to fund those repairs.

167.32 (b) Payment may only be made upon receipt by the commissioner of commerce of
167.33 an incentive payment application that establishes that the applicant is eligible to receive an

168.1 incentive payment and that satisfies other requirements the commissioner deems necessary.

168.2 The application must be in a form and submitted at a time the commissioner establishes.

168.3 (c) There is annually appropriated from the ~~renewable development~~ energy fund

168.4 account established under section 116C.779 to the commissioner of commerce sums

168.5 sufficient to make the payments required under this section, in addition to the amounts

168.6 funded by the renewable development account as specified in subdivision 5a.

168.7 Sec. 14. Minnesota Statutes 2014, section 216C.41, subdivision 5a, is amended to read:

168.8 Subd. 5a. **Renewable development Energy fund account.** The Department of

168.9 Commerce shall authorize payment of the renewable energy production incentive to wind

168.10 energy conversion systems that are eligible under this section or Laws 2005, chapter

168.11 40, to on-farm biogas recovery facilities, and to hydroelectric facilities. Payment of the

168.12 incentive shall be made from the ~~renewable energy development fund~~ account as provided

168.13 established under section 116C.779, subdivision 21, as provided by that subdivision.

168.14 Sec. 15. Minnesota Statutes 2014, section 216H.021, subdivision 1, is amended to read:

168.15 Subdivision 1. **Commissioner to establish reporting system and maintain**

168.16 **inventory.** In order to measure the progress in meeting the ~~goals~~ goal of section 216H.02,

168.17 subdivision 1, and to provide information to develop strategies to achieve those goals,

168.18 the commissioner of the Pollution Control Agency shall establish a system for reporting

168.19 and maintaining an inventory of greenhouse gas emissions. The commissioner must

168.20 consult with the chief information officer of the Office of MN.IT Services about system

168.21 design and operation. Greenhouse gas emissions include those emissions described in

168.22 section 216H.01, subdivision 2.

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

168.24 Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 4, is amended to read:

168.25 Subd. 4. **Exception for facilities that offset emissions.** (a) The ~~prohibitions~~

168.26 prohibition in subdivision 3 ~~de~~ does not apply if the project proponent demonstrates to

168.27 the Public Utilities Commission's satisfaction that it will offset the new contribution to

168.28 statewide power sector carbon dioxide emissions with a carbon dioxide reduction project

168.29 identified in paragraph (b) and in compliance with paragraph (c).

168.30 (b) A project proponent may offset in an amount equal to or greater than the

168.31 proposed new contribution to statewide power sector carbon dioxide emissions in either,

168.32 or a combination of both, of the following ways:

169.1 (1) by reducing an existing facility's contribution to statewide power sector carbon
169.2 dioxide emissions; or

169.3 (2) by purchasing carbon dioxide allowances from a state or group of states that has a
169.4 carbon dioxide cap and trade system in place that produces verifiable emissions reductions.

169.5 (c) The Public Utilities Commission shall not find that a proposed carbon dioxide
169.6 reduction project identified in paragraph (b) acceptably offsets a new contribution to
169.7 statewide power sector carbon dioxide emissions unless the proposed offsets are permanent,
169.8 quantifiable, verifiable, enforceable, and would not have otherwise occurred. This section
169.9 does not exempt emissions that have been offset under this subdivision and emissions
169.10 exempted under subdivisions 5 to 7 from a cap and trade system if adopted by the state.

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

169.12 Sec. 17. Minnesota Statutes 2014, section 373.48, subdivision 3, is amended to read:

169.13 Subd. 3. **Joint purchase of energy and acquisition of generation projects;**

169.14 **financing.** (a) A county may enter into agreements under section 471.59 with other

169.15 counties for joint purchase of energy or joint acquisition of interests in projects. A county

169.16 that enters into a multiyear agreement for purchase of energy or acquires an interest in

169.17 a project, ~~including C-BED projects pursuant to section 216B.1612, subdivision 9,~~ may

169.18 finance the estimated cost of the energy to be purchased during the term of the agreement

169.19 or the cost to the county of the interest in the project by the issuance of revenue bonds of

169.20 the county, including clean renewable energy revenue bonds, provided that the annual debt

169.21 service on all bonds issued under this section, together with the amounts to be paid by the

169.22 county in any year for the purchase of energy under agreements entered into under this

169.23 section, must not exceed the estimated revenues of the project.

169.24 (b) An agreement entered into under section 471.59 as provided by this section
169.25 may provide that:

169.26 (1) each county issues bonds to pay their respective shares of the cost of the projects;

169.27 (2) one of the counties issues bonds to pay the full costs of the project and that the

169.28 other participating counties pay any available revenues of the project and pledge the

169.29 revenues to the county that issues the bonds; or

169.30 (3) the joint powers board issues revenue bonds to pay the full costs of the project

169.31 and that the participating counties pay any available revenues of the project under this

169.32 subdivision and pledge the revenues to the joint powers entity for payment of the revenue

169.33 bonds.

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

APPENDIX
Article locations in H0843-2

ARTICLE 1	APPROPRIATIONS	Page.Ln 2.10
ARTICLE 2	JOBS AND ECONOMIC DEVELOPMENT	Page.Ln 35.1
ARTICLE 3	HOUSING	Page.Ln 57.13
ARTICLE 4	LABOR AND INDUSTRY	Page.Ln 62.9
ARTICLE 5	COMMERCE	Page.Ln 76.26
ARTICLE 6	UNEMPLOYMENT INSURANCE	Page.Ln 99.30
ARTICLE 7	DELIVERED FUELS	Page.Ln 110.7
ARTICLE 8	ENERGY CONSERVATION	Page.Ln 112.2
ARTICLE 9	RENEWABLE FUELS	Page.Ln 117.5
ARTICLE 10	GREENHOUSE GAS EMISSIONS	Page.Ln 139.13
ARTICLE 11	MISCELLANEOUS ENERGY POLICY	Page.Ln 142.21
ARTICLE 12	CONFORMING CHANGES	Page.Ln 160.7

3.8852 PLANNING STRATEGY FOR SUSTAINABLE ENERGY FUTURE.

(a) The Legislative Energy Commission, in consultation with the commissioner of commerce and other state agencies, shall develop a framework for the state of Minnesota to transition to a renewable energy economy that ends Minnesota's contribution to greenhouse gases from burning fossil fuels within the next few decades. The framework and strategy should aim to make Minnesota the first state in the nation to use only renewable energy.

(b) In developing the framework for this transition, the commission must consult with stakeholders, including, but not limited to, representatives from cooperative, municipal, and investor-owned utilities, natural resources and environmental advocacy groups, labor and industry, and technical and scientific experts to examine the challenges and opportunities involved to develop a strategy and timeline to protect the environment and create jobs. The timeline must establish goals and strategies to reach the state's renewable energy standards and prepare for the steps beyond reaching those standards. The Department of Commerce, Division of Energy Resources shall provide technical support.

(c) The commission and its stakeholders must consider the following in creating the framework:

- (1) the economic and environmental costs of continued reliance on fossil fuels;
- (2) the creation of jobs and industry in the state that result from moving ahead of other states in transitioning to a sustainable energy economy;
- (3) the appropriate energy efficiency and renewable energy investments in Minnesota to reduce the economic losses to the Minnesota economy from importation of fossil fuels; and
- (4) the new technologies for energy efficiency, storage, transmission, and renewable generation needed to reliably meet the demand for energy.

(d) The framework shall be modified as needed to take advantage of new technological developments to facilitate ending fossil fuel use in power generation, heating and cooling, industry, and transportation.

(e) The commission shall report to the legislative committees and divisions with jurisdiction over energy policy by January 15, 2014, and annually thereafter, on progress toward achieving the framework goals.

80G.01 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given to them in this section.

Subd. 2. **Bullion coin.** "Bullion coin" means any coin containing more than one percent by weight of silver, gold, platinum, or other precious metal.

Subd. 3. **Bullion coin dealer.** (a) Subject to the exceptions in paragraph (b), a "bullion coin dealer" means any person who buys, sells, solicits, or markets bullion coins or investments in bullion coins to consumers and is either incorporated, registered, domiciled, or otherwise located in this state, or who does business with a consumer domiciled, residing, or otherwise located in this state.

(b) A bullion coin dealer does not include any of the following persons:

(1) a person who engages only in wholesale bullion coin transactions with bullion coin dealers who sell at retail and are properly registered under this chapter;

(2) a person who engages only in transactions at occasional garage or yard sales held at the seller's residence, farm auctions held at the seller's residence, or estate sales held at the decedent's residence;

(3) a person who is properly registered pursuant to chapter 80A, or the federal Securities Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or broker dealer agent;

(4) an auctioneer who auctions coins at auction on behalf of an owner, if the auctioneer does not take title or ownership of the coins, or the operator of an Internet Web site that allows users to offer the sale of coins through that Web site, does not set the price, is not the seller of record, and does not take possession of any coins to be offered;

(5) a person who engages only in transactions at occasional trade shows where the consumer is present and the transaction is made at the trade show; or

(6) a federally or state-chartered bank, bank and trust, savings bank, savings association, or credit union or any operating subsidiary of them.

Subd. 4. **Coin dealer representative.** "Coin dealer representative" means any natural person acting as an employee, contractor, or agent of a bullion coin dealer and who has interactions with

APPENDIX

Repealed Minnesota Statutes: H0843-2

consumers for the purpose of the buying, selling, solicitation, or marketing of bullion coins or investments in bullion coins.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 6. **Owner.** "Owner" means any person who has an ownership interest in a bullion coin dealer, regardless of whether directly or indirectly, of more than ten percent and who is actively engaged in the direction, management, oversight, or operation of the bullion coin dealer or its business affairs.

Subd. 7. **Person.** "Person" has the same meaning given in section 325F.68, subdivision 3.

Subd. 8. **Precious metal content.** "Precious metal content" means the quantity, measured in grams, of gold, silver, platinum, or other precious metal in a coin and the percentage that the precious metal constitutes of the total weight of the coin.

80G.02 REGISTRATION.

Subdivision 1. **Registration required.** Beginning July 1, 2014, it shall be unlawful for a bullion coin dealer or coin dealer representative to solicit, market, buy, sell, or deliver bullion coins or investments in bullion coins to a consumer without being registered by the commissioner as provided for in this chapter, if the bullion coin dealer has engaged in a bullion coin transaction or transactions with consumers during the 12-month period prior to July 1, 2014, that exceed \$5,000 in the aggregate, as determined by the transactions' sale prices. If a bullion coin dealer was not required to be registered beginning on July 1, 2014, the bullion coin dealer must submit an application to register itself and each of its coin dealer representatives within 30 days of reaching \$5,000 in the aggregate of bullion coin transactions with consumers in any 12-month period prior to July 1 of any calendar year, as determined by the transactions' sale prices. Once a bullion coin dealer is required to register itself and its coin dealer representatives, the coin dealer must thereafter renew its registration and the registration of each of its coin dealer representatives in accordance with this chapter, regardless of the aggregate amount of transactions, unless the person ceases to be a bullion coin dealer. A coin dealer representative may not buy, sell, solicit, or market bullion coins or investments in bullion coins on behalf of a bullion coin dealer unless the dealer is properly registered with the commissioner under this section.

Subd. 2. **Registration obligations.** Registrations issued or renewed by the commissioner under this chapter shall expire on June 30 and must be renewed.

Subd. 3. **Registration application and renewal.** The application and renewal forms shall include the following information, as applicable, which shall be considered by the commissioner in determining whether to issue a registration and whether to thereafter renew the registration:

(1) the name, assumed names, doing business as names, including caller identification names, and business addresses of the bullion coin dealer, the name of each owner and officer, and the name and primary work location of each coin dealer representative. A bullion coin dealer who desires to carry on business in more than one location shall identify each address where business is conducted;

(2) if a bullion coin dealer is doing business under any name other than the dealer's legal name, documentation that the assumed name has been properly filed with the secretary of state;

(3) the telephone numbers, including cellular phone numbers, electronic mail addresses, and Web site domain names used or intended to be used by the bullion coin dealer and its coin dealer representatives to buy, sell, solicit, market, or deliver to consumers bullion coin or investments in bullion coin;

(4) the disclosure of all criminal convictions by any court within the last ten years for the bullion coin dealer and each officer and owner of the bullion coin dealer and for each of its coin dealer representatives;

(5) the disclosure of any civil judgments in favor of a government entity or government entity orders entered, filed, or issued against the bullion coin dealer, its officers and owners, or its coin dealer representatives within the last ten years for violation of consumer protection laws or unfair trade practice laws or for failure to account to a consumer for money or property received from the consumer;

(6) the disclosure of any settlement or other agreement with any government entity within the last ten years resolving concerns that the bullion coin dealer, its officers and owners, or its coin dealer representatives violated consumer protection or unfair trade practice laws, or for failure to account to a consumer for money or property received from the consumer; and

(7) the disclosure of any instance in which the bullion coin dealer, its officers and owners, and its coin dealer representatives were at any time permanently or temporarily prohibited by any court of competent jurisdiction or ordered to cease and desist as the result of a government agency action from engaging in buying, selling, soliciting, or marketing of bullion coin or investments

APPENDIX

Repealed Minnesota Statutes: H0843-2

in bullion coin. A bullion coin dealer may rely on the screening process provided for in section 80G.05 and the statements of its coin dealer representatives for the purposes of complying with the disclosure requirements of this clause relating to coin dealer representatives, provided that such reliance is reasonable, in good faith, and the bullion coin dealer has no knowledge of information suggesting that the screening results or statement are inaccurate.

Subd. 4. **Notice of change in registration information.** A bullion coin dealer must provide the commissioner written notice of a change in the dealer's name, assumed names, doing business as names, business addresses, including all business addresses at which it or its coin dealer representatives conduct business, owners, electronic mail addresses, Web site domain names, or telephone numbers used by it or its coin dealer representatives to buy, sell, solicit, or market to consumers bullion coin or investments in bullion coin no later than ten days after the change occurs.

Subd. 5. **Registration fee.** (a) The fee for each registration under this chapter shall be as follows:

- (1) bullion coin dealers, \$25; and
- (2) coin dealer representatives, \$10.

(b) The commissioner, based on the cost of processing registrations, may adjust the registration fee on an annual basis as needed.

80G.03 REGISTRATION DENIAL, NONRENEWAL, REVOCATION, AND SUSPENSION.

Subdivision 1. **Authority.** The commissioner may, by order, suspend, revoke, or refuse to issue or renew a bullion coin dealer or coin dealer representative registration for any one or more of the following causes:

(1) providing incorrect, false, misleading, or incomplete information to the commissioner or refusing to allow a reasonable inspection of information and documents in the possession of the bullion coin dealer, coin dealer representative, or a third party or to allow a reasonable inspection of premises;

(2) obtaining or attempting to obtain a registration through misrepresentation or fraud;

(3) having a bullion coin dealer or coin dealer representative registration or its equivalent, including licensure under section 325F.73, denied, suspended, or revoked by any locality within the state or other state, province, district, or territory;

(4) being permanently or temporarily enjoined by any court of competent jurisdiction or being ordered to cease and desist by a government agency from engaging in or continuing any conduct or practice involving the buying, selling, soliciting, or marketing of bullion coins, investments in bullion coins, or precious metal to consumers;

(5) violating the provisions of this chapter or sections 45.027, 325D.43 to 325D.48, 325F.67, 325F.68 to 325F.69, 325F.694, and 325F.73 to 325F.744, or federal or state taxation or labor law; or

(6) violating a subpoena or order of the commissioner or a court issued pursuant to this chapter or sections 45.027, 325D.43 to 325D.48, 325F.67, 325F.68 to 325F.69, 325F.694, 325F.70, and 325F.73 to 325F.744.

Subd. 2. **Bullion coin dealer responsibility for actions of coin dealer representatives.**

The commissioner may take action against a bullion coin dealer for any violations of this chapter by its coin dealer representatives conducting activities on behalf of or at the direction of the bullion coin dealer. The commissioner may also take action against the coin dealer representative.

Subd. 3. **Other authority of the commissioner.** If a registration lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the registration was last effective and enter a revocation order as of the last date on which the registration was in effect, and impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 4. **Effect of revocation.** A revocation of a registration prohibits the bullion coin dealer or coin dealer representatives from making a new application for a registration for at least two years from the effective date of the revocation.

80G.04 CRIMINAL CONVICTIONS.

Subdivision 1. **Bullion coin dealer registration precluded.** The commissioner must deny an application for registration or renewal of a bullion coin dealer, or revoke such registration, if the bullion coin dealer or its owners or officers have within the last ten years been convicted in any court of any financial crime or other crime involving fraud or theft.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subd. 2. **Coin dealer representative registration precluded.** The commissioner must deny an application for registration or renewal of a coin dealer representative, or revoke such registration, if the coin dealer representative has within the last ten years been convicted in any court of any financial crime or other crime involving fraud or theft.

80G.05 SCREENING.

Subdivision 1. **Screening process required.** Each bullion coin dealer must establish procedures to screen each of its owners and officers and each of its coin dealer representatives prior to submitting the application to the commissioner for initial registration and at each renewal. The results of such screenings shall be provided to the commissioner as part of the initial registration and all renewal registrations if requested by the commissioner.

Subd. 2. **Initial screening.** The screening process for initial registration must be done no more than 60 days before the submission of an application for registration. The process must include a national criminal history record search, a judgment search, and a county criminal history search for all counties where the owner, officer, or coin dealer representative has resided within the immediately preceding ten years. Each bullion coin dealer shall use a reputable, reliable, and accurate vendor authorized to do business in Minnesota to conduct the background screening process on its owners, officers, and coin dealer representatives.

Subd. 3. **Renewal screening.** The screening process for the renewal of a registration must include a national criminal history record search, a judgment search, and county criminal history search for all counties where the owner, officer, or coin dealer representative has resided since satisfactorily completing the last screening process conducted pursuant to this section. Screening for renewal of the owner, officer, and coin dealer representative registrations must take place no more than 60 days before the submission of an application for renewal of a registration.

80G.06 SURETY BOND.

Subdivision 1. **Surety bond requirement.** Every bullion coin dealer shall maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the transactions (purchases from and sales to consumers at retail) during the 12-month period prior to registration, or renewal, whichever is applicable.

The amount of the surety bond shall be as specified in the table below:

Transaction Amount in Preceding 12-month Period	Surety Bond Required
\$0 to \$200,000	\$25,000
\$200,000.01 to \$500,000	\$50,000
\$500,000.01 to \$1,000,000	\$100,000
\$1,000,000.01 to \$2,000,000	\$150,000
Over \$2,000,000	\$200,000

Subd. 2. **Action on bond permitted.** A consumer injured in money or property by a bullion coin dealer's or coin dealer representative's failure to provide bullion coins that the consumer has paid for or failure to remit money or goods owed to the consumer in connection with the consumer's sale of bullion coins may file a claim with the surety and if the claim is not paid, is authorized to bring an action based on the bond and recover against the surety. The commissioner or attorney general may also file a claim and bring an action on the bond and recover against the surety on behalf of a consumer so injured.

80G.07 PROHIBITED CONDUCT.

Subdivision 1. **Sales practices.** No bullion coin dealer or coin dealer representative shall:

(1) prior to a transaction regarding bullion coins, or concurrent with the delivery thereof, fail to provide to the consumer in writing, in a clear and conspicuous manner, the sale or purchase price and the precious metal content of the bullion coins involved in the transaction. The written notice shall also include the bullion coin dealer's registration identification information issued by the commissioner, and the Department of Commerce's e-mail address and telephone number. A copy of the written notice shall be provided to the consumer and a copy retained by the bullion coin dealer;

(2) fail to deliver bullion coins to a consumer within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has paid for the coins;

APPENDIX

Repealed Minnesota Statutes: H0843-2

(3) fail to pay a consumer for purchased bullion coins within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has provided the coins;

(4) fail to provide a written invoice at the time of the transaction specifically identifying and describing the bullion coins involved in the transaction, the quantity of bullion coins involved in the transaction, and the bullion coins' sale or purchase price and precious metal content. The written invoice shall include the bullion coin dealer registration identification information issued by the commissioner, and the Department of Commerce's e-mail address and telephone number. A copy of the transaction documentation shall be provided to the consumer and a copy retained by the bullion coin dealer;

(5) misrepresent the delivery date of bullion coins or payment for bullion coins, or the dealer or representative's professional qualifications, affiliations, or registration;

(6) misrepresent any material aspect of a bullion coin, including its performance, efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or profitability;

(7) misrepresent the manner in which any bullion coins a consumer provides will be stored or otherwise handled once received;

(8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or bullion coins without first obtaining the consumer's agreement to renegotiate and offering the consumer the option to have the payment fully refunded or the entirety of the bullion coins returned;

(9) fail to respond within three business days to a consumer inquiry about the delivery status of bullion coins that the consumer has paid for but not yet received or the status of a payment for bullion coins that the consumer has already provided;

(10) telephone or solicit a consumer, or sell or provide the consumer's name to any other bullion coin dealer or coin dealer representative, after the consumer requests not to be contacted;

(11) violate a subpoena or order of the commissioner or a court;

(12) make any communication to a potential buyer or seller of bullion coins that misrepresents the relationship, if any, between the bullion coin dealer or coin dealer representative and any government agency or mint;

(13) improperly withhold, misappropriate, or convert any money or properties received in the course of buying, selling, soliciting, or marketing bullion coins or investments in bullion coins to consumers;

(14) misrepresent the terms of an actual or proposed purchase or sale of bullion coins or investment in bullion coins to a consumer; or

(15) violate any other federal, state, or local law or rule related to selling, purchasing, soliciting, or marketing of bullion coin, investments in bullion coin, or precious metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest practices, or federal, state, or local law related to taxation or labor standards.

Subd. 2. **Application.** From August 1, 2013, to June 30, 2014, this section shall apply to any bullion coin dealer and its coin dealer representatives if the bullion coin dealer is engaged in a bullion coin transaction or transactions with consumers which exceed \$5,000 in the aggregate, as determined by the transaction sale prices, during the 12-month period prior to August 1, 2013. On or after July 1, 2014, this section shall apply to any bullion coin dealer and its coin dealer representatives which is or should be registered in accordance with the provisions of this chapter.

80G.08 CRIMINAL VIOLATION.

A person who conducts business as a bullion coin dealer or as a coin dealer representative without having first registered with the commissioner, or who carries on such business after the revocation, suspension, or expiration of a registration, or who violates section 80G.07, subdivision 1, clause (2) or (3), is guilty of a misdemeanor.

80G.09 OTHER ACTION; LOCAL AUTHORITY.

Nothing in this chapter precludes an action under chapter 80A or preempts local government authority under section 325F.742.

80G.10 INVESTIGATIONS AND CIVIL ENFORCEMENT.

Subdivision 1. **Civil action instituted by commissioner.** If the commissioner believes that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has, is, or is about to engage in an act, practice, or course of business that materially aids a

APPENDIX

Repealed Minnesota Statutes: H0843-2

violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may maintain an action in the district court to enjoin the act, practice, or course of business and to enforce compliance with this chapter or a rule adopted or order issued under this chapter.

Subd. 2. **Relief available.** In an action under this section and on a proper showing, the court may:

- (1) issue a permanent or temporary injunction, restraining order, or declaratory judgment;
- (2) order other appropriate or ancillary relief, which may include:
 - (i) an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator, that may be the commissioner, for the defendant or the defendant's assets;
 - (ii) ordering the commissioner to take charge and control of a defendant's property, including investment accounts and accounts in a depository institution, rents, and profits; to collect debts; and to acquire and dispose of property;
 - (iii) imposing a civil penalty up to \$10,000 for each violation; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or the predecessor act; and
 - (iv) ordering the payment of prejudgment and postjudgment interest; or
- (3) order such other relief as the court considers appropriate.

Subd. 3. **No bond required.** The commissioner may not be required to post a bond in an action or proceeding under this chapter.

Subd. 4. **Commissioner authority.** (a) If the commissioner determines that a person has engaged, is engaged, or is about to engage in an act, practice, or course of conduct constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of conduct constituting a violation of this chapter or rule adopted or order issued under this chapter the commissioner may:

- (1) issue an order directing the person to cease and desist from engaging in the act, practice, or conduct or to take other action necessary or appropriate to comply with this chapter; or
- (2) issue an order denying, suspending, revoking, or conditioning the registration of the bullion coin dealer or coin dealer representative.

(b) Upon issuance of an order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been issued. The order must include a statement of the reasons for the order and whether the commissioner will seek a civil penalty or costs of the investigation, and notice that the person must within 30 days of being served with the order, request in writing a hearing and that within 15 days after receipt of a written hearing request from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing within 30 days after the date of service of the order, the order becomes final as to that person by operation of law. If a hearing is requested, the commissioner, after notice of an opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested pursuant to paragraph (b), a hearing must be held under chapter 14 and a final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record according to chapter 14. The final order may make final, vacate, or modify the order issued under paragraph (a).

(d) If a petition for judicial review of a final order is not filed in accordance with chapter 14, the commissioner may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

(e) If a person does not comply with an order under this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court may not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount up to \$10,000 for each violation and may grant any other relief the court determines is just and proper in the circumstances.

(f) In addition to the authority granted under this chapter, the commissioner has all the authority provided under section 45.027 to ensure compliance with this chapter.

116C.779 FUNDING FOR RENEWABLE DEVELOPMENT.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subd. 3. **Initiative for Renewable Energy and the Environment.** (a) Beginning July 1, 2009, and each July 1 through 2011, \$5,000,000 must be allocated from the renewable development account to fund a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment for the purposes described in paragraph (b). The Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any set-aside funds not awarded to a rural campus or experiment station at the end of the fiscal year revert back to the Initiative for Renewable Energy and the Environment for its exclusive use. This subdivision does not create an obligation to contribute funds to the account.

(b) Activities funded under this grant may include, but are not limited to:

- (1) environmentally sound production of energy from a renewable energy source, including biomass and agricultural crops;
- (2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;
- (3) development of energy conservation and efficient energy utilization technologies;
- (4) energy storage technologies; and
- (5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) For the purposes of this subdivision:

- (1) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment; and
- (2) "renewable energy source" means hydro, wind, solar, biomass, and geothermal energy, and microorganisms used as an energy source.

(d) Beginning January 15 of 2010, and each year thereafter, the director of the Initiative for Renewable Energy and the Environment at the University of Minnesota shall submit a report to the chair and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance describing the activities conducted during the previous year funded under this subdivision.

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the commissioner of employment and economic development. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the commissioner of employment and economic development about program payment, but the commissioner has the authority to make the final determination on payments. The commissioner's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

- (1) "production costs" means the cost of the following:
 - (i) a story and scenario to be used for a film;
 - (ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;
 - (iii) set construction and operations, wardrobe, accessories, and related services;
 - (iv) photography, sound synchronization, lighting, and related services;
 - (v) editing and related services;
 - (vi) rental of facilities and equipment;
 - (vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;
 - (viii) above-the-line talent fees for nonresident talent; or
 - (ix) costs incurred during postproduction; and
- (2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or

APPENDIX

Repealed Minnesota Statutes: H0843-2

a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

174.187 MADE IN MINNESOTA SOLAR INSTALLATIONS.

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

(b) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

(3) that are manufactured in Minnesota:

(i) via manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

(c) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

Subd. 2. **Made in Minnesota solar energy system requirement.** Notwithstanding any other law to the contrary, if the commissioner engages in any project for the construction, improvement, maintenance, or repair of any building, highway, road, bridge, or land owned or controlled by the department and the construction, improvement, maintenance, or repair involves installation of one or more solar photovoltaic modules, the commissioner must ensure that the solar photovoltaic modules purchased and installed are "Made in Minnesota" as defined in subdivision 1, paragraph (b).

Subd. 3. **Application.** Subdivision 2 does not apply if:

(1) as a condition of the receipt of federal financial assistance for a specific project, the commissioner is required to use a procurement method that might result in the award of a contract to a manufacturer that does not meet the "Made in Minnesota" criteria established in subdivision 1, paragraph (b); or

(2) no solar photovoltaic modules are available that meet the "Made in Minnesota" criteria and fulfill the function required by the project.

177.24 PAYMENT OF MINIMUM WAGES.

Subd. 2. **Gratuities not applied.** No employer may directly or indirectly credit, apply, or utilize gratuities towards payment of the minimum wage set by this section or federal law.

216B.1612 COMMUNITY-BASED ENERGY DEVELOPMENT; TARIFF.

Subdivision 1. **Tariff establishment.** A tariff shall be established to optimize local, regional, and state benefits from renewable energy development and to facilitate widespread development of community-based renewable energy projects throughout Minnesota.

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying beneficiary" means:

(1) a Minnesota resident individually or as a member of a Minnesota limited liability company organized under chapter 322B and formed for the purpose of developing a C-BED project;

(2) a Minnesota nonprofit organization organized under chapter 317A;

APPENDIX

Repealed Minnesota Statutes: H0843-2

(3) a Minnesota cooperative association organized under chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

(4) a Minnesota political subdivision or local government including, but not limited to, a municipal electric utility, or a municipal power agency on behalf of and at the request of a member distribution utility; the office of the commissioner of Iron Range resources and rehabilitation; a county, statutory or home rule charter city, town, school district, or public or private higher education institution; or any other local or regional governmental organization such as a board, commission, or association;

(5) a tribal council; or

(6) a legal entity (i) formed for a purpose other than to participate in C-BED projects; (ii) whose principal place of business or principal executive office is located in Minnesota; and (iii) that provides labor, services, equipment, components, or debt financing to a C-BED project. A public utility, as defined in section 216B.02, subdivision 4, is not a qualifying beneficiary.

(d) "Qualifying revenue" includes, but is not limited to:

(1) royalties, distributions, dividends, and other payments flowing directly or indirectly to individuals who are qualifying beneficiaries;

(2) reasonable fees for consulting, development, professional, construction, and operations and maintenance services paid to qualifying beneficiaries;

(3) interest and fees paid to financial institutions that are qualifying beneficiaries;

(4) the value-added portion of payments for goods manufactured in Minnesota; and

(5) production taxes.

(e) "Discount rate" means the ten-year United States Treasury Yield as quoted in the Wall Street Journal as of the date of application for determination under subdivision 10, plus five percent; except that the discount rate applicable to any qualifying revenues contingent upon an equity investor earning a specified internal rate of return is the ten-year United States Treasury Yield, plus eight percent.

(f) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

(g) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1, paragraph (a).

(h) "Community-based energy development project" or "C-BED project" means a new renewable energy project that either as a stand-alone project or part of a partnership under subdivision 8:

(1) has no single qualifying beneficiary, including any parent company or subsidiary of the qualifying beneficiary, owning more than 15 percent of a C-BED wind energy project unless:

(i) the C-BED wind energy project consists of only one or two turbines; or (ii) the qualifying beneficiary is a public entity listed under paragraph (c), clause (4);

(2) demonstrates that at least 51 percent of the net present value of the gross revenues from a power purchase agreement over the life of the project are qualifying revenues; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

(i) "Value-added portion" means the difference between the total sales price and the total cost of components, materials, and services purchased from or provided outside of Minnesota.

Subd. 3. **Tariff rate.** (a) The tariff described in subdivision 4 must provide for a rate that is higher in the first ten years of the power purchase agreement than in the last ten years.

(b) The commission shall consider mechanisms to encourage the aggregation of C-BED projects.

(c) The commission shall require that C-BED projects provide sufficient security to secure performance under the power purchase agreement, and shall prohibit transfer of a C-BED project during the initial term of a power purchase agreement if the transfer will result in the project no longer qualifying under subdivision 2, paragraph (h).

Subd. 4. **Utilities to offer tariff.** By December 1, 2007, each public utility providing electric service at retail shall file for commission approval a community-based energy development tariff consistent with subdivision 3. Within 90 days of the first commission approval order under this subdivision, each municipal power agency and generation and transmission cooperative electric association shall adopt a community-based energy development tariff as consistent as possible with subdivision 3.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subd. 5. **Priority for C-BED projects.** (a) A utility subject to section 216B.1691 that needs to construct new generation, or purchase the output from new generation, as part of its plan to satisfy its good faith objective and standard under that section must take reasonable steps to determine if one or more C-BED projects are available that meet the utility's cost and reliability requirements, applying standard reliability criteria, to fulfill some or all of the identified need at minimal impact to customer rates.

Nothing in this section shall be construed to obligate a utility to enter into a power purchase agreement under a C-BED tariff developed under this section.

(b) Each utility shall include in its resource plan submitted under section 216B.2422 a description of its efforts to purchase energy from C-BED projects, including a list of the projects under contract and the amount of C-BED energy purchased.

(c) The commission shall consider the efforts and activities of a utility to purchase energy from C-BED projects when evaluating its good faith effort towards meeting the renewable energy objective under section 216B.1691.

(d) A municipal power agency or generation and transmission cooperative shall, when issuing a request for proposals for C-BED projects to satisfy its standard obligation under section 216B.1691, provide notice to its member distribution utilities that they may propose, in partnership with other qualifying beneficiaries, a C-BED project for the consideration of the municipal power agency or generation and transmission cooperative.

Subd. 6. **Property owner participation.** To the extent feasible, a developer of a C-BED project must provide, in writing, an opportunity to invest in the C-BED project to each property owner on whose property a high-voltage transmission line is constructed that will transmit the energy generated by the C-BED project to market. This subdivision applies if the property is located and the owner resides in the county where the C-BED project is located.

Subd. 7. **Other C-BED tariff issues.** (a) A community-based project developer and a utility shall negotiate the rate and power purchase agreement terms consistent with the tariff established under subdivision 4.

(b) At the discretion of the developer, a community-based project developer and a utility may negotiate a power purchase agreement with terms different from the tariff established under subdivision 4.

(c) A C-BED project may be jointly developed with a non-C-BED project. However, the terms of the C-BED tariff may only apply to the portion of the energy production of the total project that is directly proportional to the energy produced by the C-BED project. A project that is operating under a power purchase agreement under a C-BED tariff is not eligible for net energy billing under section 216B.164, subdivision 3, or for production incentives under section 216C.41.

(d) A public utility must receive commission approval of a power purchase agreement for a C-BED tariffed project. The commission shall provide the utility's ratepayers an opportunity to address the reasonableness of the proposed power purchase agreement. Unless a party objects to a contract within 30 days of submission of the contract to the commission the contract is deemed approved.

Subd. 8. **Community energy partnerships.** A utility providing electric service to retail or wholesale customers in Minnesota and an independent power producer may, subject to the limits specified in this section, participate in a community-based energy project, including as an owner, equity partner, or provider of technical or financial assistance.

Subd. 9. **Local government and political subdivision powers.** A Minnesota political subdivision or local government may plan, develop, purchase, acquire, construct, and own a C-BED project and may sell output from that project as provided for in this section. A Minnesota political subdivision or local government may not acquire property under this subdivision through eminent domain. A Minnesota political subdivision or local government may operate, maintain, improve, and expand the C-BED project subject to any restrictions in this section.

Subd. 10. **C-BED eligibility determination.** (a) A developer of a C-BED project may seek a predetermination of C-BED eligibility from the commissioner of commerce at any time, and must obtain a determination of C-BED eligibility from the commissioner of commerce, based on the project's final financing terms, before construction may begin. In seeking a determination of eligibility under this subdivision, a developer of a C-BED project must submit to the commissioner of commerce detailed financial projections demonstrating that, based on a net present value analysis, and applying the discount rate to qualifying revenues and gross revenues from a power purchase agreement, the project meets the requirements of subdivision 2, paragraph (h), clause (2).

(b) A project is not required to obtain a determination of C-BED eligibility under paragraph (a) if it has received, prior to May 18, 2010, an opinion letter from the commissioner indicating that the project qualifies as a C-BED project under this section.

APPENDIX

Repealed Minnesota Statutes: H0843-2

(c) The commissioner's determination of C-BED eligibility of a project that obtained its initial opinion letter regarding C-BED eligibility from the commissioner or written notification from the Midwest Independent Systems Operator (MISO) that the project retains a position in the interconnection queue before May 18, 2010, must be based on the laws applicable at the time the initial opinion letter of C-BED eligibility was issued or the Midwest Independent System Operator interconnection queue position was obtained. A project subject to this paragraph may elect to have the determination of eligibility governed by the law in effect at the time of the determination.

216B.164 COGENERATION AND SMALL POWER PRODUCTION.

Subd. 10. **Alternative tariff; compensation for resource value.** (a) A public utility may apply for commission approval for an alternative tariff that compensates customers through a bill credit mechanism for the value to the utility, its customers, and society for operating distributed solar photovoltaic resources interconnected to the utility system and operated by customers primarily for meeting their own energy needs.

(b) If approved, the alternative tariff shall apply to customers' interconnections occurring after the date of approval. The alternative tariff is in lieu of the applicable rate under subdivisions 3 and 3a.

(c) The commission shall after notice and opportunity for public comment approve the alternative tariff provided the utility has demonstrated the alternative tariff:

(1) appropriately applies the methodology established by the department and approved by the commission under this subdivision;

(2) includes a mechanism to allow recovery of the cost to serve customers receiving the alternative tariff rate;

(3) charges the customer for all electricity consumed by the customer at the applicable rate schedule for sales to that class of customer;

(4) credits the customer for all electricity generated by the solar photovoltaic device at the distributed solar value rate established under this subdivision;

(5) applies the charges and credits in clauses (3) and (4) to a monthly bill that includes a provision so that the unused portion of the credit in any month or billing period shall be carried forward and credited against all charges. In the event that the customer has a positive balance after the 12-month cycle ending on the last day in February, that balance will be eliminated and the credit cycle will restart the following billing period beginning on March 1;

(6) complies with the size limits specified in subdivision 3a;

(7) complies with the interconnection requirements under section 216B.1611; and

(8) complies with the standby charge requirements in subdivision 3a, paragraph (b).

(d) A utility must provide to the customer the meter and any other equipment needed to provide service under the alternative tariff.

(e) The department must establish the distributed solar value methodology in paragraph (c), clause (1), no later than January 31, 2014. The department must submit the methodology to the commission for approval. The commission must approve, modify with the consent of the department, or disapprove the methodology within 60 days of its submission. When developing the distributed solar value methodology, the department shall consult stakeholders with experience and expertise in power systems, solar energy, and electric utility ratemaking regarding the proposed methodology, underlying assumptions, and preliminary data.

(f) The distributed solar value methodology established by the department must, at a minimum, account for the value of energy and its delivery, generation capacity, transmission capacity, transmission and distribution line losses, and environmental value. The department may, based on known and measurable evidence of the cost or benefit of solar operation to the utility, incorporate other values into the methodology, including credit for locally manufactured or assembled energy systems, systems installed at high-value locations on the distribution grid, or other factors.

(g) The credit for distributed solar value applied to alternative tariffs approved under this section shall represent the present value of the future revenue streams of the value components identified in paragraph (f).

(h) The utility shall recalculate the alternative tariff on an annual cycle, and shall file the recalculated alternative tariff with the commission for approval.

(i) Renewable energy credits for solar energy credited under this subdivision belong to the electric utility providing the credit.

(j) The commission may not authorize a utility to charge an alternative tariff rate that is lower than the utility's applicable retail rate until three years after the commission approves an alternative tariff for the utility.

APPENDIX

Repealed Minnesota Statutes: H0843-2

(k) A utility must enter into a contract with an owner of a solar photovoltaic device receiving an alternative tariff rate under this section that has a term of at least 20 years, unless a shorter term is agreed to by the parties.

(l) An owner of a solar photovoltaic device receiving an alternative tariff rate under this section must be paid the same rate per kilowatt-hour generated each year for the term of the contract.

216B.8109 HYDROGEN ENERGY ECONOMY GOAL.

It is a goal of this state that Minnesota move to hydrogen as an increasing source of energy for its electrical power, heating, and transportation needs.

216B.811 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of sections 216B.811 to 216B.815, the terms defined in this section have the meanings given them.

Subd. 2. **Fuel cell.** "Fuel cell" means an electrochemical device that produces useful electricity, heat, and water vapor, and operates as long as it is provided fuel.

Subd. 3. **Hydrogen.** "Hydrogen" means hydrogen produced using renewable energy sources.

Subd. 4. **Related technologies.** "Related technologies" means balance of plant components necessary to make hydrogen and fuel cell systems function; turbines, reciprocating, and other combustion engines capable of operating on hydrogen; and electrolyzers, reformers, and other equipment and processes necessary to produce, purify, store, distribute, and use hydrogen for energy.

216B.812 FOSTERING USE OF HYDROGEN ENERGY.

Subdivision 1. **State purchase and use of renewable hydrogen technologies.** (a) The Department of Commerce, in coordination with the Department of Administration and the Pollution Control Agency, shall identify opportunities for deploying renewable hydrogen, fuel cells, and related technologies within state-owned facilities, vehicle fleets, and operations in ways that demonstrate their commercial performance and economics.

(b) The Department of Commerce shall recommend to the Department of Administration the purchase and deployment of hydrogen, fuel cells, and related technologies, when feasible, in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109, and which contribute to the following nonexclusive list of objectives:

- (1) provide needed performance data to the marketplace;
- (2) identify code and regulatory issues to be resolved;
- (3) foster economic development and job creation in the state;
- (4) raise public awareness of renewable hydrogen, fuel cells, and related technologies; or
- (5) reduce emissions of carbon dioxide and other pollutants.

(c) The Department of Commerce and the Pollution Control Agency shall also recommend to the Department of Administration changes to the state's procurement guidelines and contracts in order to facilitate the purchase and deployment of cost-effective renewable hydrogen, fuel cells, and related technologies by all levels of government.

Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

- (1) deploy "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;
- (2) lead to cost-competitive, on-site renewable hydrogen production technologies;
- (3) demonstrate nonvehicle applications for hydrogen;
- (4) improve the cost and efficiency of hydrogen from renewable energy sources; and
- (5) improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For deployment projects that do not involve a demonstration component, individual system components of the technology should, if feasible, meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

- (1) advance energy security;

APPENDIX

Repealed Minnesota Statutes: H0843-2

- (2) capitalize on the state's native resources;
- (3) result in economically competitive infrastructure being put in place;
- (4) be located where it will link well with existing and related projects and be accessible to the public, now or in the future;
- (5) demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;
- (6) include an explicit public education and awareness component;
- (7) be scalable to respond to changing circumstances and market demands;
- (8) draw on firms and expertise within the state where possible;
- (9) include an assessment of its economic, environmental, and social impact; and
- (10) serve other needs beyond hydrogen development.

Subd. 3. **Establishing multifuel hydrogen fueling stations.** The commissioner of commerce may accept federal funds, expend funds, and participate in projects to design, site, and construct multifuel hydrogen fueling stations that eventually link urban centers along key trade corridors across the jurisdictions of Manitoba, the Dakotas, Minnesota, Iowa, and Wisconsin.

These energy stations must serve the priorities listed in subdivision 2 and, as transition infrastructure, should accommodate a wide variety of vehicle technologies and fueling platforms, including hybrid, flexible-fuel, and fuel cell vehicles. They may offer, but not be limited to, gasoline, diesel, ethanol (E-85), biodiesel, and hydrogen, and may simultaneously test the integration of on-site combined heat and power technologies with the existing energy infrastructure.

The hydrogen portion of the stations may initially serve local, dedicated on- or off-road vehicles, but should eventually support long-haul transport.

216B.813 MINNESOTA RENEWABLE HYDROGEN INITIATIVE.

Subdivision 1. **Road map.** The Department of Commerce shall coordinate and administer directly or by contract the Minnesota renewable hydrogen initiative. If the department decides to contract for its duties under this section, it must contract with a nonpartisan, nonprofit organization within the state to develop the road map. The initiative may be run as a public-private partnership representing business, academic, governmental, and nongovernmental organizations. The initiative must oversee the development and implementation of a renewable hydrogen road map, including appropriate technology deployments, that achieve the hydrogen goal of section 216B.8109. The road map should be compatible with the United States Department of Energy's National Hydrogen Energy Roadmap and be based on an assessment of marketplace economics and the state's opportunities in hydrogen, fuel cells, and related technologies, so as to capitalize on strengths. The road map should establish a vision, goals, general timeline, strategies for working with industry, and measurable milestones for achieving the state's renewable hydrogen goal. The road map should describe how renewable hydrogen and fuel cells fit in Minnesota's overall energy system, and should help foster a consistent, predictable, and prudent investment environment. The department must report to the legislature on the progress in implementing the road map by November 1 of each odd-numbered year.

Subd. 2. **Grants.** (a) The commissioner of commerce shall operate a competitive grant program for projects to assist the state in attaining its renewable hydrogen energy goals.

(b) The commissioner shall give preference to project concepts included in the department's most recent biennial report: Strategic Demonstration Projects to Accelerate the Commercialization of Renewable Hydrogen and Related Technologies in Minnesota. Projects eligible for funding must combine one or more of the hydrogen production options listed in the department's report with an end use that has significant commercial potential, preferably high visibility, and relies on fuel cells or related technologies. Each funded technology deployment must include an explicit education and awareness-raising component, be compatible with the renewable hydrogen deployment criteria defined in section 216B.812, and receive 50 percent of its total cost from nonstate sources. The 50 percent requirement does not apply for recipients that are public institutions.

216B.815 REGIONAL ENERGY RESEARCH AND EDUCATION PARTNERSHIP.

(a) The state's public research and higher education institutions should work with one another and with similar institutions in the region to establish Minnesota and the Upper Midwest as a center of research, education, outreach, and technology transfer for the production of renewable energy and products, including hydrogen, fuel cells, and related technologies. The partnership should be designed to create a critical mass of research and education capability that can compete effectively for federal and private investment in these areas.

APPENDIX

Repealed Minnesota Statutes: H0843-2

- (b) Initiatives undertaken by the partnership may include:
- (1) collaborative and interdisciplinary research, demonstration projects, and commercialization of market-ready technologies;
 - (2) creation of undergraduate and graduate course offerings and eventually degreed and vocational programs with reciprocity;
 - (3) establishment of fellows programs at the region's institutes of higher learning that provide financial incentives for relevant study, research, and exchange; and
 - (4) development and field-testing of relevant curricula, teacher kits for all educational levels, and widespread teacher training, in collaboration with state energy offices, teachers, nonprofits, businesses, the United States Department of Energy, and other interested parties.

216C.39 RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of management and budget shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in developing community wind energy projects that meet the specifications of section 216B.1612, subdivision 2, paragraph (h).

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to make loans to qualifying owners of wind energy projects, as defined in section 216B.1612, subdivision 2, paragraph (h), to assist in funding wind studies and transmission interconnection studies. The loans must be structured for repayment within 30 days after the project begins commercial operations or two years from the date the loan is issued, whichever is sooner. The commissioner may pay reasonable and actual costs of administering the loan program, not to exceed interest earned on fund assets.

Subd. 4. **Limitations.** A loan may not be approved for an amount exceeding \$100,000. This limit applies to all money loaned to a single project or single entity, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under this section must be made in a manner and on forms prescribed by the commissioner. Loans to eligible projects must be made in the order in which complete applications are received by the commissioner. Loan funds must be disbursed to an applicant within ten days of submission of a payment request by the applicant that demonstrates a payment due to the Midwest Independent System Operator. Interest payable on the loan amount may not exceed 1.5 percent per annum.

(b) A project is eligible for a loan under this program if:

- (1) the project has completed an adequate interconnection feasibility study that indicates the project may be interconnected with system upgrades of less than ten percent of the estimated project costs;
- (2) the project has a signed power purchase agreement with an electric utility or provides evidence that the project is under serious consideration for such an agreement by an electric utility;
- (3) the ownership and structure of the project allows it to qualify as a community-based energy development (C-BED) project under section 216B.1612, and the developer commits to obtaining and maintaining C-BED status; and
- (4) the commissioner has determined that sufficient funds are available to make a loan to the project.

216C.411 DEFINITIONS.

For the purposes of sections 216C.411 to 216C.415, the following terms have the meanings given.

(a) "Made in Minnesota" means the manufacture in this state of solar photovoltaic modules:

(1) at a manufacturing facility located in Minnesota that is registered and authorized to manufacture and apply the UL 1703 certification mark to solar photovoltaic modules by Underwriters Laboratory (UL), CSA International, Intertek, or an equivalent UL-approved independent certification agency;

(2) that bear UL 1703 certification marks from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency, which must be physically applied to the modules at a manufacturing facility described in clause (1); and

APPENDIX

Repealed Minnesota Statutes: H0843-2

(3) that are manufactured in Minnesota:

(i) by manufacturing processes that must include tabbing, stringing, and lamination; or

(ii) by interconnecting low-voltage direct current photovoltaic elements that produce the final useful photovoltaic output of the modules.

A solar photovoltaic module that is manufactured by attaching microinverters, direct current optimizers, or other power electronics to a laminate or solar photovoltaic module that has received UL 1703 certification marks outside Minnesota from UL, CSA International, Intertek, or an equivalent UL-approved independent certification agency is not "Made in Minnesota" under this paragraph.

(b) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

216C.412 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE ACCOUNT.

Subdivision 1. **Account established; account management.** A "Made in Minnesota" solar energy production incentive account is established as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds remaining in the account at the end of a fiscal year do not cancel to the general fund but remain in the account. There is annually appropriated from the account to the commissioner of commerce money sufficient to make the incentive payments under section 216C.415, the transfers under section 216C.416, and to administer sections 216C.412 to 216C.415.

Subd. 2. **Payments from public utilities.** (a) Beginning January 1, 2014, and each January 1 thereafter, through 2023, for a total of ten years, each electric public utility subject to section 216B.241 must annually pay to the commissioner of commerce five percent of the minimum amount it is required to spend on energy conservation improvements under section 216B.241, subdivision 1a. Payments under this subdivision must be included in the calculation of whether a utility's other spending on generation exceeds the limits authorized for spending on generation under section 216B.2411, subdivision 1, for investments proposed for commissioner of commerce approval after July 1, 2013. The limits on spending in section 216B.2411 do not limit or apply to payments required by this subdivision. Payments made under this paragraph count toward satisfying expenditure obligations of a public utility under section 216B.241, subdivision 1a. The commissioner shall, upon receipt of the funds, deposit them in the account established in subdivision 1. A public utility subject to this paragraph must be credited energy savings for the purpose of satisfying its energy savings requirement under section 216B.241, subdivision 1c, based on its payment to the commissioner.

(b) Notwithstanding section 116C.779, subdivision 1, paragraph (g), beginning January 1, 2014, and continuing through January 1, 2023, for a total of ten years, the public utility that manages the account under section 116C.779 must annually pay from that account to the commissioner an amount that, when added to the total amount paid to the commissioner of commerce under paragraph (a), totals \$15,000,000 annually. The commissioner shall, upon receipt of the payment, deposit it in the account established in subdivision 1.

216C.413 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; QUALIFICATION.

Subdivision 1. **Application.** A manufacturer of solar photovoltaic modules seeking to qualify those modules as eligible to receive the "Made in Minnesota" solar energy production incentive must submit an application to the commissioner of commerce on a form prescribed by the commissioner. The application must contain:

(1) a technical description of the solar photovoltaic module and the processes used to manufacture it, excluding proprietary details;

(2) documentation that the solar photovoltaic module meets all the required applicable parts of the "Made in Minnesota" definition in section 216C.411, including evidence of the UL 1703 right to mark for all solar photovoltaic modules seeking to qualify as "Made in Minnesota";

(3) any additional nonproprietary information requested by the commissioner of commerce; and

(4) certification signed by the chief executive officer of the manufacturing company attesting to the truthfulness of the contents of the application and supporting materials under penalty of perjury.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subd. 2. **Certification.** If the commissioner determines that a manufacturer's solar photovoltaic module meets the definition of "Made in Minnesota" in section 216C.411, the commissioner shall issue the manufacturer a "Made in Minnesota" certificate containing the name and model numbers of the certified solar photovoltaic modules and the date of certification. The commissioner must issue or deny the issuance of a certificate within 90 days of receipt of a completed application. A copy of the certificate must be provided to each purchaser of the solar photovoltaic module.

Subd. 3. **Revocation of certification.** The commissioner may revoke a certification of a module as "Made in Minnesota" if the commissioner finds that the module no longer meets the requirements to be certified. The revocation does not affect incentive payments awarded prior to the revocation.

216C.414 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE.

Subdivision 1. **Setting incentive.** Within 90 days of a module being certified as "Made in Minnesota" the commissioner of commerce shall set a solar energy production incentive amount for that solar photovoltaic module for the purpose of the incentive payment under section 216C.415. The incentive is a performance-based financial incentive expressed as a per kilowatt-hour amount. The amount shall be used for incentive applications approved in the year to which the incentive amount is applicable for the ten-year duration of the incentive payments. An incentive amount must be calculated for each module for each calendar year through 2023.

Subd. 2. **Criteria for determining incentive amount.** (a) The commissioner shall set the incentive payment amount by determining the average amount of incentive payment required to allow an average owner of installed solar photovoltaic modules a reasonable return on their investment. In setting the incentive amount the commissioner shall consider:

(1) an estimate of the installed cost per kilowatt-direct current, based on the cost data supplied by the manufacturer in the application submitted under section 216C.413, and an estimate of the average installation cost based on a representative sample of Minnesota solar photovoltaic installed projects;

(2) the average insolation rate in Minnesota;

(3) an estimate of the decline in the generation efficiency of the solar photovoltaic modules over time;

(4) the rate paid by public utilities to owners of solar photovoltaic modules under section 216B.164 or other law;

(5) applicable federal tax incentives for installing solar photovoltaic modules; and

(6) the estimated levelized cost per kilowatt-hour generated.

(b) The commissioner shall annually, for incentive applications received in a year, revise each incentive amount based on the factors in paragraph (a), clauses (1) to (6), general market conditions, and the availability of other incentives. In no case shall the "Made in Minnesota" incentive amount result in the "Made in Minnesota" incentives paid exceeding 40 percent, net of average applicable taxes on the ten-year incentive payments, of the average historic installation cost per kilowatt. The commissioner may exceed the 40 percent cap if the commissioner determines it is necessary to fully expend funds available for incentive payments in a particular year.

Subd. 3. **Metering of production.** A public utility must, at the expense of a customer, provide a meter to measure the production of a solar photovoltaic module system that is approved to receive incentive payments. The public utility must furnish the commissioner with information sufficient for the commissioner to determine the incentive payment. The information must be provided on a calendar year basis by no later than March 1. The commissioner shall provide a public utility with forms to use to provide the production information. A customer must attest to the accuracy of the production information.

Subd. 4. **Payment due date.** Payments must be made no later than July 1 following the year of production.

Subd. 5. **Renewable energy credits.** Renewable energy credits associated with energy provided to a public utility for which an incentive payment is made belong to the utility.

216C.415 "MADE IN MINNESOTA" SOLAR ENERGY PRODUCTION INCENTIVE; PAYMENT.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subdivision 1. **Incentive payment.** Incentive payments may be made under this section only to an owner of grid-connected solar photovoltaic modules with a total nameplate capacity below 40 kilowatts direct current who:

(1) has submitted to the commissioner, on a form established by the commissioner, an application to receive the incentive that has been approved by the commissioner;

(2) has received a "Made in Minnesota" certificate under section 216C.413 for the module; and

(3) has installed on residential or commercial property solar photovoltaic modules that are generating electricity and has received a "Made in Minnesota" certificate under section 216C.413.

Subd. 2. **Application process.** Applications for an incentive payment must be received by the commissioner between January 1 and February 28. The commissioner shall by a random method approve the number of applications the commissioner reasonably determines will exhaust the funds available for payment for the ten-year period of incentive payments. Applications for residential and commercial installations shall be separately randomly approved.

Subd. 3. **Commissioner approval of incentive application.** The commissioner must approve an application for an incentive for an owner to be eligible for incentive payments. The commissioner must not approve an application in a calendar year if the commissioner determines there will not be sufficient funding available to pay an incentive to the applicant for any portion of the ten-year duration of payment. The commissioner shall annually establish a cap on the cumulative capacity for a program year based on funds available and historic average installation costs. Receipt of an incentive is not an entitlement and payment need only be made from available funds in the "Made in Minnesota" solar production incentive account.

Subd. 4. **Eligibility window; payment duration.** (a) Payments may be made under this section only for electricity generated from new solar photovoltaic module installations that are commissioned between January 1, 2014, and December 31, 2023.

(b) The payment eligibility window of the incentive begins and runs consecutively from the date the solar system is commissioned.

(c) An owner of solar photovoltaic modules may receive payments under this section for a particular module for a period of ten years provided that sufficient funds are available in the account.

(d) No payment may be made under this section for electricity generated after December 31, 2033.

(e) An owner of solar photovoltaic modules may not first begin to receive payments under this section after December 31, 2024.

Subd. 5. **Allocation of payments.** (a) If there are sufficient applications, approximately 50 percent of the incentive payment shall be for owners of eligible solar photovoltaic modules installed on residential property, and approximately 50 percent shall be for owners of eligible solar photovoltaic modules installed on commercial property.

(b) The commissioner shall endeavor to distribute incentives paid under this section to owners of solar photovoltaic modules installed in a manner so that the amount of payments received in an area of the state reasonably approximates the amount of payments made by a utility serving that area.

(c) For purposes of this subdivision:

(1) "residential property" means residential real estate that is occupied and used as a homestead by its owner or by a renter and includes "multifamily housing development" as defined in section 462C.02, subdivision 5, except that residential property on which solar photovoltaic modules (i) whose capacity exceeds 10 kilowatts is installed; or (ii) connected to a utility's distribution system and whose electricity is purchased by several residents, each of whom own a share of the electricity generated, shall be deemed commercial property; and

(2) "commercial property" means real property on which is located a business, government, or nonprofit establishment.

Subd. 6. **Limitation.** An owner receiving an incentive payment under this section may not receive a rebate under section 116C.7791 for the same solar photovoltaic modules.

216C.416 SOLAR THERMAL REBATES.

Subdivision 1. **Rebate program created.** The commissioner of commerce shall operate a program to provide rebates for the installation of "Made in Minnesota" solar thermal systems in the state. "Solar thermal system" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water. A solar thermal system is "Made in Minnesota" if components of the system are manufactured in Minnesota and the solar

APPENDIX

Repealed Minnesota Statutes: H0843-2

thermal system is certified by the Solar Rating and Certification Corporation. The solar thermal system may be installed in residential and commercial facilities for, among other purposes, hot water, space heating, or pool heating purposes.

Subd. 2. **Account; funding.** (a) The solar thermal system rebate account is created as a separate account in the special revenue fund in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from account assets, must be credited to the account. Funds in the account are appropriated to the commissioner of commerce for the purpose of making the rebate payments under this section and administering this section.

(b) Beginning January 1, 2014, and each January 1 thereafter to January 1, 2023, the commissioner of commerce shall annually transfer \$250,000 from the account created in section 216C.412 for deposit in the account created in this subdivision.

(c) To the extent there are sufficient applications, the commissioner shall annually spend for rebates under this section from 2014 to 2023, for a total of ten years, approximately \$250,000 per year. If sufficient applications are not received to spend the money available for rebates in a year under this section, the unspent money must be returned to the account from which it was transferred, provided that funds available for 2014 applications shall remain available for 2015 applications.

Subd. 3. **Individual incentives.** The maximum rebate for a single family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$2,500. The maximum rebate for a multiple family residential dwelling installation is the lesser of 25 percent of the installed cost of a complete system or \$5,000. The maximum rebate for a commercial installation is the lesser of 25 percent of the installation cost of the complete system or \$25,000. The system must be installed by a factory authorized installer. The commissioner shall allocate approximately 50 percent of the rebates in each year to solar thermal hot water and 50 percent to solar thermal air projects if sufficient applications are made for each.

Subd. 4. **Application process.** Applications for incentives must be made to the commissioner of commerce on forms provided by the commissioner. The commissioner shall use a random process for the selection of recipients of incentives except to the extent necessary to allocate rebates as required by this section.

216H.02 GREENHOUSE GAS EMISSIONS CONTROL.

Subd. 2. **Climate change action plan.** By February 1, 2008, the commissioner of commerce, in consultation with the commissioners of the Pollution Control Agency, the Housing Finance Agency, and the Departments of Natural Resources, Agriculture, Employment and Economic Development, and Transportation, and the chair of the Metropolitan Council, shall submit to the legislature a climate change action plan that meets the requirements of this section.

Subd. 3. **Stakeholder process.** The plan required by subdivision 2 must be developed through a structured, broadly inclusive stakeholder-based review of potential policies and initiatives that will reduce statewide greenhouse gas emissions from a broad range of sources and activities. The commissioner shall engage a nationally recognized independent expert entity to conduct the stakeholder process. The report of the stakeholder process must form the basis for the plan submitted by the commissioner under subdivision 2.

Subd. 4. **General elements of the plan.** The plan must:

(1) estimate 1990 and 2005 greenhouse gas emissions in the state and make projections of emissions in 2015, 2025, and 2050;

(2) identify, evaluate, and integrate a broad range of statewide greenhouse gas reduction options for all emission sectors in the state;

(3) assess the costs, benefits, and feasibility of implementing the options;

(4) recommend an integrated set of reduction options and strategies for implementing the options that will achieve the goals in subdivision 1, including analysis of the associated costs and benefits to Minnesotans;

(5) estimate the statewide greenhouse gas emissions reductions anticipated from implementation of existing state policies;

(6) recommend a system to require the reporting of statewide greenhouse gas emissions, identifying which facilities must report, and how emission estimates should be made; and

(7) evaluate the option of exempting a project from the prohibitions contained in section 216H.03, subdivision 3, if the project contributes a specified fee per ton of carbon dioxide emissions emitted annually by the project, the proceeds of which would be used to fund permanent, quantifiable, verifiable, and enforceable reductions in greenhouse gas emissions that would not otherwise have occurred.

APPENDIX

Repealed Minnesota Statutes: H0843-2

Subd. 5. **Specific plan requirements.** (a) The plan must evaluate and recommend interim goals as steps to achieve the goals in subdivision 1.

(b) The plan must determine the feasibility, assess the costs and benefits, and recommend how the state could adopt a regulatory system that imposes a cap on the aggregate air pollutant emissions of a group of sources, requires those subject to the cap to own an allowance for each ton of the air pollutant emitted, and allows for market-based trading of those allowances. The evaluation must contain an analysis of the state implementing a cap and trade system alone, in coordination with other states, and as a requirement of federal law applying to all states. The plan must recommend the parameters of a cap and trade system that includes a cap that would prevent significant increases in greenhouse gas emissions above current levels with a schedule for lowering the cap periodically to achieve the goals in subdivision 1 and interim goals recommended under paragraph (a). The plan must consider cost savings and cost increases on energy consumers in the state.

(c) The plan must include recommendations for improvements in the emissions inventory and recommend whether the state should require greenhouse gas emissions reporting from specific sources and, if so, which sources should be required to report. The plan must also evaluate options for an emissions registry after reviewing registries in other states and recommend a registry that will insure the greatest opportunity for Minnesota entities to obtain marketable credits.

Subd. 6. **Regional activities.** The state must, to the extent possible, with other states in the Midwest region, develop and implement a regional approach to reducing greenhouse gas emissions from activities in the region, including consulting on a regional cap and trade system. The commissioner of commerce shall coordinate Minnesota's regional activities under this subdivision and report to the legislative committees in the senate and house of representatives with jurisdiction over energy and environmental policy by February 1, 2008, and February 1, 2009, on the progress made and recommendations for further action. The commissioner of commerce, as part of the activities required under this subdivision, must meet with responsible officials from bordering states, other states in the Midwest region, and states in other regions of the country to:

- (1) determine whether other states are interested in establishing and cooperating in a multistate or regional greenhouse gas cap and trade allowance program;
- (2) identify and prepare an inventory of greenhouse gas reduction resources available to support a multistate or regional greenhouse gas cap and trade allowance program;
- (3) seek cooperation on a regional inventory of greenhouse gas emission sources; and
- (4) prepare an inventory of available renewable energy resources within a state or region.

The commissioner of commerce must develop a definition of scope of this regional activity that is in addition to the components described in clauses (1) to (4). The commissioner must report on the additional scoping definitions to the chairs and ranking minority members of the legislative committees with jurisdiction over energy and environmental finance and policy on or before the commencement of the 2008 regular legislative session.

469.084 ST. PAUL.

Subd. 11. **Revenue bonds.** Notwithstanding any law or charter provision to the contrary, an issue of revenue bonds authorized by the port authority of the city of St. Paul shall be issued only with the consent of the St. Paul City Council in a resolution. Notwithstanding any law or charter provision to the contrary, a project to be financed by the port authority of the city of St. Paul by proceeds of revenue bonds shall be financed only with the consent of the St. Paul City Council in a resolution. An existing obligation, contract, collective bargaining or other agreement, fringe benefit plan, or covenant made or entered into by the St. Paul Port Authority is not impaired by this subdivision.

Subd. 12. **City supervision of authority employees.** Notwithstanding any law or charter provision to the contrary, the council may, by resolution adopted by a majority of the council, place any employee of the port authority under the direction, supervision, or control of the mayor or a department of the city.

Laws 2013, chapter 85, article 6, section 11

Sec. 11. SOLAR PHOTOVOLTAIC MODULES.

No solar photovoltaic module may be installed that is financed directly or indirectly, wholly or in part, with money appropriated in this act, unless the solar photovoltaic module is made in Minnesota as defined in Minnesota Statutes, section 16B.323, subdivision 1, paragraph (b).

Laws 2014, chapter 312, article 2, section 15

Sec. 15. WORKERS' COMPENSATION SYSTEM REFORM; USE OF FUNDS.

(a) The appropriations under section 14 to the commissioner of labor and industry are for reform of the workers' compensation system. Funds appropriated under section 14, paragraphs (c) and (d), may be expended by the commissioner only after the advisory council on workers' compensation created under Minnesota Statutes, section 175.007, has approved a new system including, but not limited to: a Medicare-based diagnosis-related group (MS-DRG) or similar system for payment of workers' compensation inpatient hospital services. Of the amount appropriated under section 14, paragraphs (c) and (d), up to \$100,000 may be used by the commissioner to develop and implement the new system approved by the advisory council on workers' compensation.

(b) Funds available for expenditure under paragraph (a) may be used by the commissioner for reimbursement of expenditures that are reasonable and necessary to defray the costs of the implementation by hospitals, insurers, and self-insured employers of the new system including, but not limited to: a Medicare-based diagnosis-related group (MS-DRG) or similar system for payment of workers' compensation inpatient hospital services, litigation expense reform, worker safety training, administrative costs, or other related system reform.

(c) For the purposes of this section, reasonable and necessary system reform and implementation costs include, but are not limited to:

- (1) the cost of analyzing data to determine the anticipated costs and savings of implementing the new system;
- (2) the cost of analyzing system or organizational changes necessary for implementation;
- (3) the cost of determining how an organization would implement group or other software;
- (4) the cost of upgrading existing software or purchasing new software and other technology upgrades needed for implementation;
- (5) the cost of educating and training staff about the new system as applied to workers' compensation; and
- (6) the cost of integrating the new system with electronic billing and remittance systems.

APPENDIX
Repealed Minnesota Rule: H0843-2

5205.0580 HAND-POWERED PLATFORM PASSENGER TYPE MANLIFTS.

Subp. 21. **Suspension cables.** Suspension means shall consist of not less than two wire ropes of not less than one-half inch diameter each.