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HOUSE FILE No. 2305

FIRST COMMITTEE ENGROSSMENT

March 22, 2007

Authored by Hilty

The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Energy Finance and Policy Division.

March 26, 2008

Returned to the Committee on Finance as Amended.

A bill for an act

relating to state government; appropriating money or reducing appropriations to Department of Commerce and Public Utilities Commission to finance certain programs, projects, and activities; providing for fund transfers; modifying or adding provisions relating to standards for state-funded outdoor lighting, growth of the green economy, insurance fraud prevention, a state video franchising study, a broadband mapping project, and the Green Economy Transformation Task Force; requiring reports; amending Minnesota Statutes 2006, sections 116J.8731, subdivision 4; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, sections 16B.328, by adding a subdivision; 116J.575, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

ARTICLE ...

ENERGY, COMMERCE, UTILITIES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations or reductions, by fund, made in this act.

| | | <u>2008</u> | | <u>2009</u> | | <u>Total</u> |
|-----------------------------------|----|-------------|----|-------------|----|--------------|
| <u>General</u> | \$ | 30,000 | \$ | (186,000) | \$ | (156,000) |
| <u>Special Revenue</u> | | -0- | | 260,000 | | 260,000 |
| <u>Cancellations</u> | | -0- | | 2,600,000 | | 2,600,000 |
| <u>Transfers From Other Funds</u> | | -0- | | 9,180,000 | | 9,180,000 |

Sec. 2. COMMERCE AND PUBLIC UTILITIES COMMISSION APPROPRIATIONS AND REDUCTIONS.

The dollar amounts in the columns under "APPROPRIATIONS AND REDUCTIONS" are added to or, if shown in parentheses, subtracted from the

3.1 \$300,000 in the first year is for the
3.2 solar rebate program. This is a onetime
3.3 appropriation and is available until spent.

3.4 \$175,000 in the second year is a onetime
3.5 appropriation for the broadband mapping
3.6 project initiated in this article. This
3.7 appropriation is from the telecommunications
3.8 access Minnesota fund account in the special
3.9 revenue fund.

3.10 \$85,000 in the second year is a onetime
3.11 appropriation for transfer to the Board of
3.12 Regents of the University of Minnesota for
3.13 the state video franchising study initiated in
3.14 this article. This appropriation is from the
3.15 telecommunications access Minnesota fund
3.16 account in the special revenue fund.

3.17 Of the amounts appropriated from the
3.18 special revenue fund in the second year
3.19 to the commissioner of commerce for
3.20 renewable energy research under Laws
3.21 2007, chapter 57, article 2, section 3,
3.22 subdivision 6, clause (7), up to \$250,000
3.23 may be used for cold weather biodiesel
3.24 blending infrastructure grants to facilities
3.25 that serve Minnesota, \$500,000 must be used
3.26 to support the algae-to-biofuels research
3.27 project at the University of Minnesota
3.28 and the Metropolitan Council, and up to
3.29 \$500,000 must be used for the cap-and-trade
3.30 governance and economic and emissions
3.31 studies required in 2008 House File 3195.
3.32 The appropriation for the cap-and-trade
3.33 studies is available only if 2008 House File
3.34 3195, or legislation requiring the studies, is
3.35 enacted.

4.1 Of the amounts appropriated from the
4.2 special revenue fund in the second year
4.3 to the commissioner of commerce for
4.4 automotive technology projects under Laws
4.5 2007, chapter 57, article 2, subdivision 6,
4.6 clause (4), up to \$200,000 shall be used
4.7 for the required report and activities of the
4.8 Green Economy Transformation Task Force
4.9 established in this article. This is a onetime
4.10 appropriation.

4.11 Of the assessment amount authorized under
4.12 Minnesota Statutes, section 216B.241,
4.13 subdivision 1e, up to \$200,000 in the
4.14 second year shall be used for the required
4.15 report and activities of the Green Economy
4.16 Transformation Task Force established in
4.17 this article. This is a onetime appropriation.

4.18 **Subd. 5. Cancellation**

4.19 Prior to July 31, 2008, \$2,600,000 from the
4.20 unexpended balance from the appropriation
4.21 made in Laws 2007, chapter 57, article
4.22 2, section 3, subdivision 6, for renewable
4.23 hydrogen initiative grants is canceled to the
4.24 general fund.

4.25 **Subd. 6. Transfers**

4.26 **(a) Insurance Fraud Prevention Account**

4.27 Prior to July 31, 2008, the commissioner of
4.28 finance shall transfer \$2,000,000 from the
4.29 unexpended balance of the insurance fraud
4.30 prevention account established in Minnesota
4.31 Statutes, section 45.0135, to the general fund.

4.32 After June 15, 2009, and prior to June 30,
4.33 2009, the commissioner of finance shall
4.34 transfer \$1,500,000 from the unexpended

5.1 balance of the insurance fraud prevention
5.2 account established in Minnesota Statutes,
5.3 section 45.0135, to the general fund.

5.4 **(b) Real Estate Education, Research and**
5.5 **Recovery Fund**

5.6 Prior to July 31, 2008, the commissioner
5.7 of finance shall transfer \$1,350,000 from
5.8 the unexpended balance of the real estate
5.9 education, research and recovery fund
5.10 established in Minnesota Statutes, section
5.11 82.43, to the general fund.

5.12 **(c) Consumer Education Account**

5.13 Prior to July 31, 2008, the commissioner
5.14 of finance shall transfer \$100,000 from
5.15 the unexpended balance of the consumer
5.16 education account established under
5.17 Minnesota Statutes, section 58.10, to the
5.18 general fund.

5.19 **(d) Automobile Theft Prevention Account**

5.20 Prior to July 31, 2008, the commissioner
5.21 of finance shall transfer \$230,000 from the
5.22 unexpended balance of the automobile theft
5.23 prevention account established in Minnesota
5.24 Statutes, section 168A.40, to the general
5.25 fund.

5.26 **Sec. 4. PUBLIC UTILITIES COMMISSION**

5.27 Prior to July 31, 2008, the commissioner
5.28 of finance shall transfer \$4,000,000 from
5.29 the telephone assistance fund established in
5.30 Minnesota Statutes, section 237.701, to the
5.31 general fund.

5.32 Sec. 5. Minnesota Statutes 2007 Supplement, section 16B.328, is amended by adding a
5.33 subdivision to read:

6.1 Subd. 3. Standards for state-funded outdoor lighting fixtures. (a) An outdoor
6.2 lighting fixture may be installed or replaced using state funds only if:

6.3 (1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated
6.4 output of the outdoor lighting fixture is greater than 1,800 lumens;

6.5 (2) the minimum illuminance adequate for the intended purpose is used with
6.6 consideration given to nationally recognized standards;

6.7 (3) for lighting of a designated highway of the state highway system, the Department
6.8 of Transportation determines that the purpose of the outdoor lighting fixture cannot be
6.9 achieved by the installation of reflective road markers, lines, warning or informational
6.10 signs, or other effective passive methods; and

6.11 (4) full consideration has been given to energy conservation and savings, reducing
6.12 glare, minimizing light pollution, and preserving the natural night environment.

6.13 (b) Paragraph (a) does not apply if:

6.14 (1) a federal law, rule, or regulation preempts state law;

6.15 (2) the outdoor lighting fixture is used on a temporary basis because emergency
6.16 personnel require additional illumination for emergency procedures;

6.17 (3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

6.18 (4) special events or situations require additional illumination, provided that the
6.19 illumination installed shields the outdoor lighting fixtures from direct view and minimizes
6.20 upward lighting and light pollution;

6.21 (5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of
6.22 a single object or distinctive building; or

6.23 (6) a compelling safety interest exists that cannot be addressed by another method.

6.24 (c) This subdivision does not apply to the operation and maintenance of lights or
6.25 lighting systems purchased or installed, or for which design work is completed, before
6.26 August 1, 2008.

6.27 (d) This section does not apply if a state agency or local unit of government
6.28 determines that compliance with this section would:

6.29 (1) require an increased use of electricity;

6.30 (2) increase the construction cost of a lighting system more than 15 percent over the
6.31 construction cost of a lighting system that does not comply with this section;

6.32 (3) increase the cost of operation and maintenance of the lighting system more than
6.33 ten percent over the cost of operating and maintaining the existing lighting system over
6.34 the life of the lighting system; or

6.35 (4) result in a negative safety impact.

7.1 Sec. 6. [116J.437] COORDINATING ECONOMIC DEVELOPMENT AND
7.2 ENVIRONMENTAL POLICY.

7.3 Subdivision 1. Definitions. For the purpose of this section, "green economy" means
7.4 products, processes, methods, technologies, or services intended to do one or more of
7.5 the following:

7.6 (1) increase the use of energy from renewable sources, as defined in section
7.7 216B.1691;

7.8 (2) increase the energy efficiency of the electric utility infrastructure system or
7.9 increase energy conservation related to electricity use, as provided in sections 216B.2401
7.10 and 216B.241;

7.11 (3) reduce greenhouse gas emissions, as defined in section 216H.01, subdivision
7.12 2, or mitigate greenhouse gas emissions through, but not limited to, carbon capture,
7.13 storage, or sequestration;

7.14 (4) monitor, protect, restore, and preserve the quality of surface waters; or

7.15 (5) expand use of biofuels, including by expanding the feasibility or reducing the
7.16 cost of producing biofuels or the types of equipment, machinery, and vehicles that can use
7.17 biofuels.

7.18 Subd. 2. Coordinating economic development and environmental policy. The
7.19 commissioner shall cooperate to promote job training that complements green economy
7.20 business development.

7.21 Sec. 7. Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a, is
7.22 amended to read:

7.23 Subd. 1a. **Priorities.** (a) If applications for grants exceed the available
7.24 appropriations, grants shall be made for sites that, in the commissioner's judgment, provide
7.25 the highest return in public benefits for the public costs incurred. "Public benefits" include
7.26 job creation, bioscience development, environmental benefits to the state and region,
7.27 efficient use of public transportation, efficient use of existing infrastructure, provision of
7.28 affordable housing, multiuse development that constitutes community rebuilding rather
7.29 than single-use development, crime reduction, blight reduction, community stabilization,
7.30 and property tax base maintenance or improvement. In making this judgment, the
7.31 commissioner shall give priority to redevelopment projects with one or more of the
7.32 following characteristics:

7.33 (1) the need for redevelopment in conjunction with contamination remediation needs;

7.34 (2) the redevelopment project meets current tax increment financing requirements
7.35 for a redevelopment district and tax increments will contribute to the project;

- 8.1 (3) the redevelopment potential within the municipality;
- 8.2 (4) proximity to public transit if located in the metropolitan area;
- 8.3 (5) redevelopment costs related to expansion of a bioscience business in Minnesota;
- 8.4 ~~and~~
- 8.5 (6) multijurisdictional projects that take into account the need for affordable housing,
- 8.6 transportation, and environmental impact; or
- 8.7 (7) the project advances or promotes the green economy as defined in section
- 8.8 116J.437.

8.9 (b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the

8.10 commissioner may weigh each factor, depending upon the facts and circumstances, as

8.11 the commissioner considers appropriate. The commissioner may consider other factors

8.12 that affect the net return of public benefits for completion of the redevelopment plan. The

8.13 commissioner, notwithstanding the listing of priorities and the goal of maximizing the

8.14 return of public benefits, shall make grants that distribute available money to sites both

8.15 within and outside of the metropolitan area. Unless sufficient applications are not received

8.16 for qualifying sites outside of the metropolitan area, at least 50 percent of the money

8.17 provided as grants must be made for sites located outside of the metropolitan area.

8.18 Sec. 8. Minnesota Statutes 2006, section 116J.8731, subdivision 4, is amended to read:

8.19 Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the

8.20 following conditions:

- 8.21 (1) creation of new jobs, retention of existing jobs, or improvements in the quality of
- 8.22 existing jobs as measured by the wages, skills, or education associated with those jobs;
- 8.23 (2) increase in the tax base;
- 8.24 (3) the project can demonstrate that investment of public dollars induces private
- 8.25 funds;
- 8.26 (4) the project can demonstrate an excessive public infrastructure or improvement
- 8.27 cost beyond the means of the affected community and private participants in the project;
- 8.28 (5) the project provides higher wage levels to the community or will add value to
- 8.29 current workforce skills;
- 8.30 (6) whether assistance is necessary to retain existing business; ~~and~~
- 8.31 (7) whether assistance is necessary to attract out-of-state business; and
- 8.32 (8) the project promotes or advances the green economy as defined in section
- 8.33 116J.437.

9.1 A grant or loan cannot be made based solely on a finding that the conditions in
9.2 clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3),
9.3 (4), or (5) also exists.

9.4 Applications recommended for funding shall be submitted to the commissioner.

9.5 Sec. 9. Minnesota Statutes 2006, section 609.531, subdivision 1, is amended to read:

9.6 Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the
9.7 following terms have the meanings given them.

9.8 (a) "Conveyance device" means a device used for transportation and includes, but
9.9 is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any
9.10 equipment attached to it. The term "conveyance device" does not include property which
9.11 is, in fact, itself stolen or taken in violation of the law.

9.12 (b) "Weapon used" means a dangerous weapon as defined under section 609.02,
9.13 subdivision 6, that the actor used or had in possession in furtherance of a crime.

9.14 (c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

9.15 (d) "Contraband" means property which is illegal to possess under Minnesota law.

9.16 (e) "Appropriate agency" means the Bureau of Criminal Apprehension, the
9.17 Department of Commerce Division of Insurance Fraud Prevention, the Minnesota Division
9.18 of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department,
9.19 the Three Rivers Park District park rangers, the Department of Natural Resources Division
9.20 of Enforcement, the University of Minnesota Police Department, the Department of
9.21 Corrections' Fugitive Apprehension Unit, or a city or airport police department.

9.22 (f) "Designated offense" includes:

9.23 (1) for weapons used: any violation of this chapter, chapter 152, or chapter 624;

9.24 (2) for driver's license or identification card transactions: any violation of section
9.25 171.22; and

9.26 (3) for all other purposes: a felony violation of, or a felony-level attempt or
9.27 conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21;
9.28 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.282;
9.29 609.283; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1,
9.30 clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345,
9.31 subdivision 1, clauses (a) to (e), and (h) to (j); 609.352; 609.42; 609.425; 609.466;
9.32 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561;
9.33 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e;
9.34 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88;

10.1 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation
10.2 of section 609.891 or 624.7181; or any violation of section 609.324.

10.3 (g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

10.4 Sec. 10. **STATE VIDEO FRANCHISING STUDY.**

10.5 Subdivision 1. Study contents. The Department of Commerce shall contract for a
10.6 study of the impact of legislation enacted in at least three states that requires franchises
10.7 for video service to be issued by a state agency. The contractor conducting the study
10.8 shall, prior to its initiation, consult with associations representing municipalities and
10.9 communities of color. The study shall contain, at a minimum, the following information:

10.10 (1) the number of new video service providers that have applied for a state video
10.11 franchise;

10.12 (2) the number of incumbent video service providers that have elected to terminate
10.13 an existing franchise agreement and apply for a state video franchise;

10.14 (3) the amount of capital invested by new video service providers to furnish video
10.15 service;

10.16 (4) the number of communities in which new video service providers intend to offer
10.17 video services, as reflected in their application;

10.18 (5) the number of communities with an incumbent video provider in which new
10.19 providers intend to offer video services;

10.20 (6) the number of communities with no incumbent video service provider in which
10.21 new video service providers intend to offer video services;

10.22 (7) the effect on video service prices in communities with an incumbent video
10.23 provider in which new video service providers offer video services;

10.24 (8) the effect on franchise fee revenues received by municipalities from video
10.25 service providers;

10.26 (9) the effect on the number of PEG channels available to communities;

10.27 (10) the effect on the amount of revenues received by municipalities to support the
10.28 provision of PEG programming in communities;

10.29 (11) the effect on the amount of PEG programming available in communities;

10.30 (12) the progress of new video providers in meeting any build-out requirements
10.31 in the law; and

10.32 (13) the effect on municipal services provided to communities by video service
10.33 providers.

11.1 Subd. 2. **Report.** The department shall submit the report described in subdivision
11.2 1 to the chairs and ranking minority members of the senate and house committees with
11.3 primary jurisdiction over telecommunications policy by February 1, 2009.

11.4 **Sec. 11. BROADBAND MAPPING PROJECT.**

11.5 Subdivision 1. **Project.** The commissioner of commerce shall contract with a
11.6 nonprofit organization that has significant experience working with broadband providers to
11.7 develop geographical information system maps displaying levels of broadband service by
11.8 connection speed and type of technology used and integrating the maps with demographic
11.9 information to produce a comprehensive statewide inventory and mapping of existing
11.10 broadband service and capability.

11.11 Subd. 2. **Mapping.** Data must be collected from broadband providers and entered
11.12 into a geographic information system to produce maps that, for the state of Minnesota and
11.13 any defined geographical entity within it, clearly convey the following information:

- 11.14 (1) areas unserved by any broadband provider;
11.15 (2) areas served by a single broadband provider;
11.16 (3) the location of towers used to transmit and receive broadband signals;
11.17 (4) actual upstream and downstream transmission speeds at the county level of detail;
11.18 (5) areas served by multiple broadband providers; and
11.19 (6) the types of technology used to provide broadband service.

11.20 The data used to produce the maps must be capable of being integrated with demographic
11.21 data from other sources including, but not limited to, population density and household
11.22 income to allow for the production of maps that measure, down to the census block
11.23 level of detail, various characteristics of residents in areas receiving different levels of
11.24 broadband services and utilizing different technologies. Data provided by a broadband
11.25 provider to the contractor under this subdivision is nonpublic data under Minnesota
11.26 Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public
11.27 data under Minnesota Statutes, section 13.03.

11.28 For the purposes of this section, "technology" or "technologies" means different
11.29 methods of connecting to the Internet including, but not limited to, cable modem, DSL,
11.30 ADSL, VDSL, and fiber optics.

11.31 **Sec. 12. REPORT.**

11.32 The commissioner of commerce, in consultation with the commissioner of
11.33 employment and economic development, must analyze all state grant and loan programs
11.34 administered by a state agency to develop a plan specific to each program to optimize the

12.1 growth of the green economy, as defined in section 1, through program activities. The
12.2 report, along with any necessary implementing legislation, must be submitted to the chairs
12.3 of the legislative committees with primary jurisdiction over energy, environmental, and
12.4 economic development finance or policy issues by January 15, 2009.

12.5 **Sec. 13. GREEN ECONOMY TRANSFORMATION TASK FORCE.**

12.6 Subdivision 1. **Task force.** (a) A Green Economy Transformation Task Force is
12.7 created to advise and assist the governor and legislature regarding activities to transform
12.8 the state's economy, and to develop a statewide action plan as provided under subdivision
12.9 2. The task force shall consist of:

12.10 (1) three legislators from the house of representatives, including one minority
12.11 caucus member, appointed by the speaker, and three legislators from the senate, including
12.12 one minority caucus member, appointed by the Subcommittee on Committees of the
12.13 Committee on Rules and Administration;

12.14 (2) six representatives from state agencies and institutions appointed by the
12.15 governor, including one member from the Office of Energy Security, one member from
12.16 the Department of Employment and Economic Security, one member from the Job Skills
12.17 Partnership Board, one member from the University of Minnesota, one member from
12.18 Minnesota State Colleges and Universities, and one additional member; and

12.19 (3) six persons from the private sector appointed by the cochair of the task force,
12.20 including one member representing the utility industry, one member representing labor,
12.21 one member representing manufacturing, one member representing financial institutions,
12.22 one member representing venture capital, and one additional member. A cochair shall
12.23 be named from among the legislative members by the appointing authority of each
12.24 legislative body.

12.25 The governor is exempt from the requirements of the open appointments process for
12.26 purposes of appointing task force members.

12.27 (b) The Department of Commerce shall provide staff support to the task force. The
12.28 task force may accept outside resources to help support its efforts.

12.29 Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to
12.30 the legislature and the governor a statewide action plan, including necessary legislation
12.31 and budget requests, for transforming the economic system of the state to respond to and
12.32 benefit from the environmental and energy policies of the state contained in the:

12.33 (1) renewable energy standard in Minnesota Statutes, section 216B.1691,
12.34 subdivision 2a;

- 13.1 (2) energy conservation requirement in Minnesota Statutes, section 216B.241,
13.2 subdivision 1c;
- 13.3 (3) greenhouse gas emission reduction goals in Minnesota Statutes, section 216H.02,
13.4 subdivision 1;
- 13.5 (4) Clean Water Legacy Act in Minnesota Statutes, chapter 114D; and
13.6 (5) biofuels 25 by 2025 initiative in Minnesota Statutes, sections 41A.10, subdivision
13.7 2, and 41A.11.
- 13.8 (b) The plan may consist of legislative actions, administrative actions of
13.9 governmental entities, collaborative actions, and actions of individuals and individual
13.10 organizations. The plan must be developed following the analysis described in this
13.11 paragraph and must be based on the analysis. The analysis must include:
- 13.12 (1) a market analysis of the business opportunities and needs created by the laws
13.13 enumerated in paragraph (a), including local, state, national, and international markets;
13.14 (2) an analysis of the labor force needs related to the market analysis opportunities
13.15 identified in clause (1), including educational, training, and retraining needs; and
13.16 (3) an inventory of the current labor and business assets available to respond to the
13.17 opportunities identified in clause (1) and the labor needs identified in clause (2).
- 13.18 The task force shall contract for the analysis required by this paragraph.
- 13.19 (c) The task force expires June 30, 2009.