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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3931

04/15/2016 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

04/20/2016 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 state government; making supplemental appropriations for jobs,
1.3 economic development, and energy affordability; appropriating money to the
1.4 Departments of Employment and Economic Development, Labor and Industry,
1.5 and Commerce, the Housing Finance Agency, Public Utilities Commission,
1.6 Public Facilities Authority, Explore Minnesota Tourism, Bureau of Mediation
1.7 Services, and Public Employment Relations Board; making policy changes to jobs
1.8 and economic development, labor and industry, housing, workers' compensation,
1.9 unemployment insurance, telephone regulation, broadband development, and
1.10 energy; requiring reports; amending Minnesota Statutes 2014, sections 115C.09,
1.11 subdivisions 1, 3; 116C.779, subdivision 1, by adding a subdivision; 116J.395,
1.12 subdivisions 4, 6, 7, by adding subdivisions; 116J.548, subdivisions 2, 3;
1.13 116J.8737, subdivision 3; 116J.8747, subdivisions 1, 2; 116M.15, subdivision 1;
1.14 176.011, subdivision 7a; 176.081, subdivisions 1, 3; 176.137, subdivisions 1, 4,
1.15 by adding a subdivision; 176.331; 176.361, subdivisions 1, 2, 3, 4, 5, 6, by adding
1.16 a subdivision; 176.471, subdivisions 3, 5; 176.511, subdivisions 2, 3; 176.571,
1.17 subdivision 1; 182.653, subdivision 9; 216A.03, subdivision 1, by adding a
1.18 subdivision; 216B.1641; 216B.241, subdivisions 1, 1a, 1c; 216B.243, subdivision
1.19 8; 216C.20, subdivision 3; 216E.03, subdivision 5; 216H.01, by adding a
1.20 subdivision; 216H.03, subdivision 1; 237.01, by adding subdivisions; 237.012,
1.21 subdivisions 1, 2; 268.035, subdivisions 12, 20, 23a, 29, by adding subdivisions;
1.22 268.051, subdivision 5; 268.085, subdivisions 4, 5; 268.0865, subdivisions
1.23 3, 4; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.18; 268.182,
1.24 subdivision 2; 383B.142; 462A.204, subdivisions 1, 3; Minnesota Statutes 2015
1.25 Supplement, sections 16A.967, subdivisions 2, 7; 116J.394; 176.135, subdivision
1.26 7a; 176.136, subdivision 1b; 268.07, subdivision 3b; 268.085, subdivision 2;
1.27 Laws 2001, chapter 130, section 3; Laws 2015, First Special Session chapter 1,
1.28 article 1, sections 2, subdivision 3; 8, subdivision 8; proposing coding for new
1.29 law in Minnesota Statutes, chapters 116J; 216E; 237; 383B; repealing Minnesota
1.30 Statutes 2014, sections 116U.26; 179A.50; 179A.51; 179A.52; 179A.53.

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

1.32 **ARTICLE 1**

1.33 **APPROPRIATIONS**

1.34 Section 1. **APPROPRIATIONS**

2.1 The sums shown in the columns under "Appropriations" are added to or, if shown
 2.2 in parentheses, subtracted from the appropriations in Laws 2015, First Special Session,
 2.3 chapter 1, or other law to the specified agencies. The appropriations are from the general
 2.4 fund, or another named fund, and are available for the fiscal years indicated for each
 2.5 purpose. The figures "2016" and "2017" used in this article mean that the appropriations
 2.6 listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017,
 2.7 respectively. Appropriations for the fiscal year ending June 30, 2016, are effective the day
 2.8 following final enactment. Reductions may be taken in either fiscal year.

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

2.13 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 2.14 **AND ECONOMIC DEVELOPMENT**

2.15 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>7,653,000</u>
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2.16 <u>Subd. 2. Business and Community</u> 2.17 <u>Development</u>				2.17 <u>(11,947,000)</u>
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2.18 (a) \$12,000,000 in fiscal year 2017 is a
 2.19 onetime reduction in the general fund
 2.20 appropriation for the Minnesota investment
 2.21 fund under Minnesota Statutes, section
 2.22 116J.8731. The base funding for this purpose
 2.23 is \$5,000,000 in fiscal year 2018 and each
 2.24 fiscal year thereafter.

2.25 (b) \$8,500,000 in fiscal year 2017 is a
 2.26 onetime reduction in the general fund
 2.27 appropriation for the Minnesota job creation
 2.28 fund under Minnesota Statutes, section
 2.29 116J.8748. The base funding for this
 2.30 program is \$7,500,000 in fiscal year 2018
 2.31 and each fiscal year thereafter.

2.32 (c) \$1,000,000 in fiscal year 2017 is from the
 2.33 general fund for the redevelopment program
 2.34 under Minnesota Statutes, section 116J.571.
 2.35 This is a onetime appropriation.

3.1 (d) \$1,000,000 in fiscal year 2017 is from the
3.2 workforce development fund for a grant to
3.3 the Neighborhood Development Center for
3.4 developing and supporting entrepreneurial
3.5 skills and job creation in communities served
3.6 by the Neighborhood Development Center.
3.7 Funds may be used for activities including but
3.8 not limited to business plan training, business
3.9 workshops, technical assistance to small
3.10 business owners, development and support
3.11 of business incubators, entrepreneurial
3.12 network development, and the expansion
3.13 of entrepreneurial capacity in communities.
3.14 This is a onetime appropriation.

3.15 (e) \$100,000 in fiscal year 2017 is from
3.16 the general fund for an easy-to-understand
3.17 manual to instruct aspiring business owners
3.18 in how to start a child care business. The
3.19 commissioner shall work in consultation
3.20 with relevant state and local agencies
3.21 and affected stakeholders to produce the
3.22 manual. The manual must be made available
3.23 electronically to interested persons. This is a
3.24 onetime appropriation and is available until
3.25 June 30, 2019.

3.26 (f) \$500,000 in fiscal year 2017 is from the
3.27 workforce development fund for a grant to
3.28 Enterprise Minnesota, Inc. Of this amount,
3.29 \$250,000 is for the small business growth
3.30 acceleration program under Minnesota
3.31 Statutes, section 116O.115, and \$250,000
3.32 is for operations under Minnesota Statutes,
3.33 sections 116O.01 to 116O.061. This is a
3.34 onetime appropriation.

4.1 (g) \$12,000 in fiscal year 2017 is a reduction
4.2 in the general fund appropriation for the
4.3 Upper Minnesota Film Office.

4.4 (h) \$1,825,000 in fiscal year 2017 is a
4.5 reduction in the general fund appropriation
4.6 for the Minnesota Film and TV Board.

4.7 (i) \$5,000,000 in fiscal year 2017 is from
4.8 the general fund for the workforce housing
4.9 grant program in Minnesota Statutes, section
4.10 116J.549. This is a onetime appropriation.

4.11 (j) \$2,290,000 in fiscal year 2017 is from the
4.12 general fund for a grant to Mille Lacs County
4.13 to develop and operate the Lake Mille Lacs
4.14 area economic relief program established
4.15 in article 2, section 11. This is a onetime
4.16 appropriation.

4.17 (k) \$500,000 in fiscal year 2017 is from the
4.18 general fund for grants to local communities
4.19 outside of the metropolitan area as defined
4.20 under Minnesota Statutes, section 473.121,
4.21 subdivision 2, to increase the supply of
4.22 quality child care providers in order to
4.23 support regional economic development.

4.24 Grant recipients must match state funds on a
4.25 dollar-for-dollar basis. Grant funds available
4.26 under this section must be used to implement
4.27 solutions to reduce the child care shortage
4.28 in the state, including but not limited to
4.29 funding for child care business start-up or
4.30 expansion, training, facility modifications
4.31 or improvements required for licensing,
4.32 and assistance with licensing and other
4.33 regulatory requirements. In awarding grants,
4.34 the commissioner must give priority to
4.35 communities in greater Minnesota that have

5.1 documented a shortage of child care providers
 5.2 in the area. This is a onetime appropriation
 5.3 and is available until June 30, 2019.

5.4 By September 30, 2017, grant recipients must
 5.5 report to the commissioner on the outcomes
 5.6 of the grant program, including but not
 5.7 limited to the number of new providers, the
 5.8 number of additional child care provider jobs
 5.9 created, the number of additional child care
 5.10 slots, and the amount of local funds invested.

5.11 By January 1, 2018, the commissioner must
 5.12 report to the standing committees of the
 5.13 legislature having jurisdiction over child care
 5.14 and economic development on the outcomes
 5.15 of the program to date.

5.16 **Subd. 3. Workforce Development** 3,900,000

5.17 (a) \$600,000 in fiscal year 2017 is from the
 5.18 workforce development fund for a grant to
 5.19 Ujamaa Place for job training, employment
 5.20 preparation, internships, education, training
 5.21 in the construction trades, housing, and
 5.22 organizational capacity building. This is a
 5.23 onetime appropriation.

5.24 (b) \$800,000 in fiscal year 2017 is from the
 5.25 workforce development fund for a grant
 5.26 to Latino Communities United in Service
 5.27 (CLUES) to expand culturally tailored
 5.28 programs that address employment and
 5.29 education skill gaps for working parents
 5.30 and underserved youth. Funds must be
 5.31 used to provide new job skills training to
 5.32 stimulate higher wages for low-income
 5.33 people, family support systems designed
 5.34 to reduce generational poverty, and youth
 5.35 programming to promote educational

6.1 advancement and career pathways. At
6.2 least 50 percent of the total grant funds
6.3 must be used for programming in greater
6.4 Minnesota. CLUES shall submit a report to
6.5 the chairs and ranking minority members of
6.6 the legislative committees and divisions of
6.7 the senate and house of representatives with
6.8 primary jurisdiction over jobs with findings
6.9 of program outcomes by March 1, 2018. The
6.10 report must include the type, duration, and
6.11 attendance of each program and quantifiable
6.12 measures of success. This is a onetime
6.13 appropriation and is available until June 30,
6.14 2019.

6.15 (c) \$600,000 in fiscal year 2017 is from the
6.16 workforce development fund for performance
6.17 grants under Minnesota Statutes, section
6.18 116J.8747, to Twin Cities RISE! to provide
6.19 training to hard-to-train individuals. This is
6.20 onetime appropriation.

6.21 (d) \$1,000,000 in fiscal year 2017 is from the
6.22 general fund for a grant to the Construction
6.23 Careers Foundation for the construction
6.24 career pathway initiative to provide
6.25 year-round educational and experiential
6.26 learning opportunities for teens and young
6.27 adults under the age of 21 that lead to careers
6.28 in the construction industry. This is a onetime
6.29 appropriation and is available until June 30,
6.30 2019. Grant funds must be used to:

6.31 (1) increase construction industry exposure
6.32 activities for middle school and high school
6.33 youth, parents, and counselors to reach a more
6.34 diverse demographic and broader statewide
6.35 audience. This requirement includes, but

7.1 is not limited to, an expansion of programs
7.2 to provide experience in different crafts to
7.3 youth and young adults throughout the state;
7.4 (2) increase the number of high schools
7.5 in Minnesota offering construction classes
7.6 during the academic year that utilize a
7.7 multicraft curriculum;
7.8 (3) increase the number of summer internship
7.9 opportunities;
7.10 (4) enhance activities to support graduating
7.11 seniors in their efforts to obtain employment
7.12 in the construction industry;
7.13 (5) increase the number of young adults
7.14 employed in the construction industry and
7.15 ensure that they reflect Minnesota's diverse
7.16 workforce; and
7.17 (6) enhance an industrywide marketing
7.18 campaign targeted to youth and young adults
7.19 about the depth and breadth of careers within
7.20 the construction industry.
7.21 Programs and services supported by grant
7.22 funds must give priority to individuals and
7.23 groups that are economically disadvantaged
7.24 or historically underrepresented in the
7.25 construction industry, including but not
7.26 limited to women, veterans, and members of
7.27 minority and immigrant groups.
7.28 (e) \$400,000 in fiscal year 2017 is from the
7.29 general fund for the Youth at Work youth
7.30 workforce development competitive grant
7.31 program. Of this amount, up to five percent
7.32 is for administration and monitoring of the
7.33 program. This is a onetime appropriation and
7.34 is available until June 30, 2018.

8.1 (f) \$500,000 in fiscal year 2017 is
 8.2 appropriated from the workforce
 8.3 development fund for a grant to the YWCA
 8.4 of Minneapolis to provide economically
 8.5 challenged individuals the jobs skills
 8.6 training, career counseling, and job
 8.7 placement assistance necessary to secure
 8.8 a child development associate credential
 8.9 and to have a career path in early childhood
 8.10 education. This is a onetime appropriation.

8.11 **Subd. 4. Vocational Rehabilitation** 500,000

8.12 \$500,000 in fiscal year 2017 is from
 8.13 the general fund for grants to centers
 8.14 for independent living under Minnesota
 8.15 Statutes, section 268A.11. This is a onetime
 8.16 appropriation.

8.17 **Subd. 5. State Services for the Blind** 200,000

8.18 \$200,000 in fiscal year 2017 is from the
 8.19 general fund for State Services for the
 8.20 Blind. Funds appropriated must be used to
 8.21 provide services for senior citizens who are
 8.22 becoming blind. At least half of the funds
 8.23 appropriated must be used to provide training
 8.24 services for seniors who are becoming blind.
 8.25 Training services must provide independent
 8.26 living skills to seniors who are becoming
 8.27 blind to allow them to continue to live
 8.28 independently in their homes. This is a
 8.29 onetime appropriation.

8.30 **Subd. 6. Broadband Development** 15,000,000

8.31 (a) \$15,000,000 in fiscal year 2017 is
 8.32 from the general fund for deposit in the
 8.33 border-to-border broadband fund account
 8.34 under Minnesota Statutes, section 116J.396,

9.1 for the purpose of awarding grants under that
 9.2 section. The base funding for this program is
 9.3 \$25,000,000 in fiscal year 2018. These are
 9.4 onetime appropriations.

9.5 (b) \$500,000 must be awarded to projects
 9.6 that propose to expand the availability and
 9.7 adoption of broadband service to areas
 9.8 that contain a significant proportion of
 9.9 low-income households. For the purposes of
 9.10 this subdivision, "low-income households"
 9.11 means households whose household income
 9.12 is less than or equal to 200 percent of the
 9.13 most recent calculation of the United States
 9.14 federal poverty guidelines published by the
 9.15 federal Department of Health and Human
 9.16 Services, adjusted for family size.

9.17 (c) Minnesota Statutes, section 116J.395,
 9.18 subdivision 5a, does not apply to applications
 9.19 for grants under paragraph (b) and does
 9.20 not apply to applications for grants under
 9.21 paragraph (a) in underserved areas.

9.22 (d) If grant awards in any area are insufficient
 9.23 to fully expend the funds available for
 9.24 that area, the commissioner may reallocate
 9.25 unexpended funds to other areas.

9.26 **Sec. 3. HOUSING FINANCE AGENCY**

9.27 Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u>	\$ <u>(4,750,000)</u>
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9.28 Subd. 2. <u>Challenge Program</u>			\$ <u>(5,000,000)</u>
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9.29 (a) This is a onetime general fund
 9.30 appropriation reduction in fiscal year 2017.

9.31 (b) The base funding for this program in fiscal
 9.32 year 2018 and thereafter is \$12,925,000.

9.33 Subd. 3. <u>Family Homeless Prevention</u>			\$ <u>250,000</u>
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10.1 \$250,000 in fiscal year 2017 is from the
 10.2 general fund for grants to eligible applicants
 10.3 to create or expand risk mitigation programs
 10.4 to reduce landlord financial risks for renting
 10.5 to persons eligible under Minnesota Statutes,
 10.6 section 462A.204. Eligible programs may
 10.7 reimburse landlords for costs including but
 10.8 not limited to nonpayment of rent, or damage
 10.9 costs above those costs covered by security
 10.10 deposits. The agency may give higher
 10.11 priority to applicants that can demonstrate
 10.12 a matching amount of money by a local
 10.13 unit of government, business, or nonprofit
 10.14 organization. Grantees must establish a
 10.15 procedure to review and validate claims and
 10.16 reimbursements under this grant program.
 10.17 This is a onetime appropriation.

10.18 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ -0- \$ 800,000**

10.19 (a) \$300,000 in fiscal year 2017 is from
 10.20 the general fund for a grant to the Mille
 10.21 Lacs Tourism Council to enhance marketing
 10.22 activities related to tourism promotion in
 10.23 the Mille Lacs Lake area. This is a onetime
 10.24 appropriation.

10.25 (b) \$500,000 in fiscal year 2017 is from the
 10.26 general fund for a pilot project to assist in
 10.27 funding and securing major events benefiting
 10.28 communities throughout the state. The pilot
 10.29 project must measure the economic impact
 10.30 of visitors on state and local economies,
 10.31 increased lodging and nonlodging sales taxes
 10.32 in addition to visitor spending, and increased
 10.33 media awareness of the state as an event
 10.34 destination. This is a onetime appropriation.

11.1	Sec. 5. <u>DEPARTMENT OF LABOR AND</u>		
11.2	<u>INDUSTRY</u>		
11.3	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>250,000</u>
11.4	<u>Subd. 2. Labor Standards and Apprenticeship</u>		\$ <u>250,000</u>
11.5	<u>\$250,000 in fiscal year 2017 is from the</u>		
11.6	<u>general fund for the apprenticeship program</u>		
11.7	<u>under Minnesota Statutes, chapter 178.</u>		
11.8	Sec. 6. <u>BUREAU OF MEDIATION</u>		
11.9	<u>SERVICES</u>	\$	<u>-0-</u> \$ <u>(125,000)</u>
11.10	<u>This is a reduction in the general fund</u>		
11.11	<u>appropriation in fiscal year 2017 for the</u>		
11.12	<u>Public Employment Relations Board.</u>		
11.13	Sec. 7. <u>DEPARTMENT OF COMMERCE</u>		
11.14	<u>Subdivision 1. Total Appropriation</u>	\$	<u>-0-</u> \$ <u>(151,000)</u>
11.15	<u>Subd. 2. Telecommunications</u>		<u>(376,000)</u>
11.16	<u>The base amount for this purpose is \$558,000</u>		
11.17	<u>in fiscal year 2018 and \$482,000 in fiscal</u>		
11.18	<u>year 2019.</u>		
11.19	<u>Subd. 3. Energy Resources</u>		<u>-0-</u> <u>100,000</u>
11.20	<u>\$100,000 in fiscal year 2017 is from the</u>		
11.21	<u>general fund for energy regulation and</u>		
11.22	<u>planning unit staff. This appropriation is</u>		
11.23	<u>not subject to assessment under Minnesota</u>		
11.24	<u>Statutes, section 216B.62.</u>		
11.25	<u>Subd. 4. Insurance</u>		<u>125,000</u>
11.26	<u>\$125,000 in fiscal year 2017 is from the</u>		
11.27	<u>general fund for insurance fraud enforcement</u>		
11.28	<u>under Minnesota Statutes, section 45.0135,</u>		
11.29	<u>subdivision 9.</u>		
11.30	Sec. 8. <u>PUBLIC UTILITIES COMMISSION</u>	\$	<u>-0-</u> \$ <u>(56,000)</u>

12.1 (a) Of the amount appropriated, \$112,000
 12.2 in fiscal year 2017 is from the general
 12.3 fund for costs related to implementation
 12.4 of solar energy standards and community
 12.5 solar garden requirements under Laws
 12.6 2013, chapter 85, and Laws 2015, First
 12.7 Special Session chapter 1, article 3. This
 12.8 appropriation is not subject to assessment
 12.9 under Minnesota Statutes, section 216B.62.

12.10 (b) Of the amount in fiscal year 2017,
 12.11 \$375,000 is a onetime reduction in the general
 12.12 fund appropriation for telecommunications
 12.13 regulation.

12.14 (c) Of the amount appropriated in fiscal year
 12.15 2017, \$207,000 is from the general fund for
 12.16 expenses related to additional Public Utilities
 12.17 Commission members.

12.18 (d) The base funding for the Public Utilities
 12.19 Commission is \$7,155,000 in fiscal year
 12.20 2018 and \$7,461,000 in fiscal year 2019.

12.21 **Sec. 9. PUBLIC FACILITIES AUTHORITY \$ -0- \$ 11,500,000**

12.22 \$11,500,000 in fiscal year 2017 is from the
 12.23 general fund for a grant to the Lewis and
 12.24 Clark Joint Powers Board to acquire land,
 12.25 design, engineer, and construct facilities
 12.26 and infrastructure necessary to complete
 12.27 Phase 3 of the Lewis and Clark Regional
 12.28 Water System project, including extension
 12.29 of the project from the Lincoln-Pipestone
 12.30 Rural Water System connection near
 12.31 Adrian to Worthington, construction of a
 12.32 reservoir in Nobles County and a meter
 12.33 building in Worthington, and acquiring and
 12.34 installing a supervisory control and data

13.1 acquisition (SCADA) system. This is a
 13.2 onetime appropriation and is not available
 13.3 until the commissioner of management and
 13.4 budget determines that at least \$9,000,000
 13.5 is committed to the Phase 3 of the project
 13.6 from nonstate sources. This appropriation
 13.7 is available until the project is completed or
 13.8 abandoned, subject to Minnesota Statutes,
 13.9 section 16A.642.

13.10 Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3,
 13.11 is amended to read:

13.12 **Subd. 3. Workforce Development**

13.13	Appropriations by Fund		
13.14	General	2,189,000	1,789,000
13.15	Workforce		
13.16	Development	17,567,000	16,767,000

13.17 (a) \$1,039,000 each year from the general
 13.18 fund and \$3,104,000 each year from the
 13.19 workforce development fund are for the adult
 13.20 workforce development competitive grant
 13.21 program. Of this amount, up to five percent
 13.22 is for administration and monitoring of the
 13.23 adult workforce development competitive
 13.24 grant program. All grant awards shall be
 13.25 for two consecutive years. Grants shall be
 13.26 awarded in the first year.

13.27 (b) \$4,050,000 each year is from the
 13.28 workforce development fund for the
 13.29 Minnesota youth program under Minnesota
 13.30 Statutes, sections 116L.56 and 116L.561, to
 13.31 provide employment and career advising to
 13.32 youth, including career guidance in secondary
 13.33 schools, to address the youth career advising
 13.34 deficiency, to carry out activities outlined
 13.35 in Minnesota Statutes, section 116L.561,

14.1 to provide support services, and to provide
14.2 work experience to youth in the workforce
14.3 service areas. The funds in this paragraph
14.4 may be used for expansion of the pilot
14.5 program combining career and higher
14.6 education advising in Laws 2013, chapter 85,
14.7 article 3, section 27. Activities in workforce
14.8 services areas under this paragraph may
14.9 serve all youth up to age 24.

14.10 (c) \$1,000,000 each year is from the
14.11 workforce development fund for the
14.12 youthbuild program under Minnesota
14.13 Statutes, sections 116L.361 to 116L.366.

14.14 (d) \$450,000 each year is from the workforce
14.15 development fund for a grant to Minnesota
14.16 Diversified Industries, Inc., to provide
14.17 progressive development and employment
14.18 opportunities for people with disabilities.

14.19 (e) \$3,348,000 each year is from the
14.20 workforce development fund for the "Youth
14.21 at Work" youth workforce development
14.22 competitive grant program. Of this amount,
14.23 up to five percent is for administration
14.24 and monitoring of the youth workforce
14.25 development competitive grant program. All
14.26 grant awards shall be for two consecutive
14.27 years. Grants shall be awarded in the first
14.28 year.

14.29 (f) \$500,000 each year is from the workforce
14.30 development fund for the Opportunities
14.31 Industrialization Center programs.

14.32 (g) \$750,000 each year is from the workforce
14.33 development fund for a grant to the
14.34 Minnesota Alliance of Boys and Girls
14.35 Clubs to administer a statewide project

15.1 of youth jobs skills development. This
15.2 project, which may have career guidance
15.3 components, including health and life skills,
15.4 is to encourage, train, and assist youth in
15.5 job-seeking skills, workplace orientation,
15.6 and job-site knowledge through coaching.
15.7 This grant requires a 25 percent match from
15.8 nonstate resources.

15.9 (h) \$250,000 the first year and \$250,000 the
15.10 second year are for pilot programs in the
15.11 workforce service areas to combine career
15.12 and higher education advising.

15.13 (i) \$215,000 each year is from the workforce
15.14 development fund for a grant to Big
15.15 Brothers, Big Sisters of the Greater Twin
15.16 Cities for workforce readiness, employment
15.17 exploration, and skills development for
15.18 youth ages 12 to 21. The grant must serve
15.19 youth in the Twin Cities, Central Minnesota
15.20 and Southern Minnesota Big Brothers, Big
15.21 Sisters chapters.

15.22 (j) \$900,000 in fiscal year 2016 and
15.23 \$1,100,000 in fiscal year 2017 are from the
15.24 workforce development fund for a grant to the
15.25 Minnesota High Tech Association to support
15.26 SciTechsperience, a program that supports
15.27 science, technology, engineering, and math
15.28 (STEM) internship opportunities for two-
15.29 and four-year college students in their field
15.30 of study. The internship opportunities
15.31 must match students with paid internships
15.32 within STEM disciplines at small, for-profit
15.33 companies located in the seven-county
15.34 metropolitan area, having fewer than 150
15.35 total employees; or at small or medium,

16.1 for-profit companies located outside of the
16.2 seven-county metropolitan area, having
16.3 fewer than 250 total employees. At least 200
16.4 students must be matched in the first year
16.5 and at least 250 students must be matched in
16.6 the second year. Selected hiring companies
16.7 shall receive from the grant 50 percent of the
16.8 wages paid to the intern, capped at \$2,500
16.9 per intern. The program must work toward
16.10 increasing the participation among women or
16.11 other underserved populations.

16.12 (k) \$50,000 each year is from the workforce
16.13 development fund for a grant to the St. Cloud
16.14 ~~Area Somali Salvation~~ Youth Organization
16.15 for youth development and crime prevention
16.16 activities. Grant funds may be used to
16.17 train and place mentors in elementary and
16.18 secondary schools; for athletic, social,
16.19 and other activities to foster leadership
16.20 development; to provide a safe place for
16.21 participating youth to gather after school, on
16.22 weekends, and on holidays; and activities to
16.23 improve the organizational and job readiness
16.24 skills of participating youth. This is a
16.25 onetime appropriation and is available until
16.26 June 30, 2019. Funds appropriated the first
16.27 year are available for use in the second year
16.28 of the biennium.

16.29 (l) \$500,000 each year is for rural career
16.30 counseling coordinator positions in the
16.31 workforce service areas and for the purposes
16.32 specified in Minnesota Statutes, section
16.33 116L.667. The commissioner, in consultation
16.34 with local workforce investment boards and
16.35 local elected officials in each of the service
16.36 areas receiving funds, shall develop a method

17.1 of distributing funds to provide equitable
17.2 services across workforce service areas.

17.3 (m) \$400,000 in fiscal year 2016 is for a grant
17.4 to YWCA Saint Paul for training and job
17.5 placement assistance, including commercial
17.6 driver's license training, through the job
17.7 placement and retention program. This is a
17.8 onetime appropriation.

17.9 (n) \$800,000 in fiscal year 2016 is from
17.10 the workforce development fund for
17.11 the customized training program for
17.12 manufacturing industries under article 2,
17.13 section 24. This is a onetime appropriation
17.14 and is available in either year of the
17.15 biennium. Of this amount:

17.16 (1) \$350,000 is for a grant to Central Lakes
17.17 College for the purposes of this paragraph;

17.18 (2) \$250,000 is for Minnesota West
17.19 Community and Technical College for the
17.20 purposes of this paragraph; and

17.21 (3) \$200,000 is for South Central College for
17.22 the purposes of this paragraph.

17.23 (o) \$500,000 each year is from the workforce
17.24 development fund for a grant to Resource,
17.25 Inc. to provide low-income individuals
17.26 career education and job skills training that
17.27 are fully integrated with chemical and mental
17.28 health services.

17.29 (p) \$200,000 in fiscal year 2016 and \$200,000
17.30 in fiscal year 2017 are from the workforce
17.31 development fund for performance grants
17.32 under Minnesota Statutes, section 116J.8747,
17.33 to Twin Cities RISE! to provide training to

18.1 hard-to-train individuals. This is a onetime
18.2 appropriation.

18.3 (q) \$200,000 in fiscal year 2016 is from
18.4 the workforce development fund for the
18.5 foreign-trained health care professionals
18.6 grant program modeled after the pilot
18.7 program conducted under Laws 2006,
18.8 chapter 282, article 11, section 2, subdivision
18.9 12, to encourage state licensure of
18.10 foreign-trained health care professionals,
18.11 including: physicians, with preference given
18.12 to primary care physicians who commit
18.13 to practicing for at least five years after
18.14 licensure in underserved areas of the state;
18.15 nurses; dentists; pharmacists; mental health
18.16 professionals; and other allied health care
18.17 professionals. The commissioner must
18.18 collaborate with health-related licensing
18.19 boards and Minnesota workforce centers to
18.20 award grants to foreign-trained health care
18.21 professionals sufficient to cover the actual
18.22 costs of taking a course to prepare health
18.23 care professionals for required licensing
18.24 examinations and the fee for the state
18.25 licensing examinations. When awarding
18.26 grants, the commissioner must consider the
18.27 following factors:

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

18.31 (2) whether the recipient commits to
18.32 practicing in a designated rural area or an
18.33 underserved urban community, as defined in
18.34 Minnesota Statutes, section 144.1501;

19.1 (3) whether the recipient's language skills
 19.2 provide an opportunity for needed health care
 19.3 access for underserved Minnesotans; and
 19.4 (4) any additional criteria established by the
 19.5 commissioner.

19.6 This is a onetime appropriation and is
 19.7 available until June 30, 2019.

19.8 Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 8,
 19.9 is amended to read:

19.10 Subd. 8. **Insurance**

19.11	Appropriations by Fund		
19.12	General	4,095,000	4,004,000
19.13	Workers'		
19.14	Compensation	553,000	553,000

19.15 \$642,000 each year is for health insurance
 19.16 rate review staffing.

19.17 \$91,000 in fiscal year 2016 is for the task
 19.18 force on no-fault auto insurance issues.

19.19 \$125,000 in fiscal year 2017 is for insurance
 19.20 fraud enforcement under Minnesota Statutes,
 19.21 section 45.0135, subdivision 9.

19.22 **ARTICLE 2**

19.23 **JOBS AND ECONOMIC DEVELOPMENT**

19.24 Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2,
 19.25 is amended to read:

19.26 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations
 19.27 of this subdivision, the commissioner may sell and issue appropriation bonds of the state
 19.28 under this section for public purposes as provided by law, ~~including, in particular, the~~
 19.29 ~~financing of the land acquisition, design, engineering, and construction of facilities and~~
 19.30 ~~infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water~~
 19.31 ~~System project, including completion of the pipeline to Magnolia, extension of the project~~
 19.32 ~~to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering,~~

20.1 ~~design, and easement acquisition for the final phase of the project to Worthington. No~~
20.2 ~~bonds shall be sold until the commissioner determines that a nonstate match of at least~~
20.3 ~~\$9,000,000 is committed to this project phase.~~ Grant agreements entered into under this
20.4 section must provide for reimbursement to the state from any federal money provided for
20.5 the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

20.6 (b) The appropriation bonds may be issued and sold only after the commissioner
20.7 determines that the construction and administration for work done on the project will
20.8 comply with (1) all federal requirements and regulations associated with the Lewis and
20.9 Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the
20.10 United States Department of the Interior and the Lewis and Clark Regional Water System,
20.11 Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis
20.12 and Clark bond proceeds fund in the state treasury. All income from investment of the
20.13 bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for
20.14 the payment of principal and interest on the appropriation bonds.

20.15 (c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the
20.16 commissioner, are necessary to provide sufficient money to the Public Facilities Authority
20.17 under subdivision 7, not to exceed \$19,000,000 net of costs of issuance, for the purposes as
20.18 provided under this paragraph (a), and pay debt service including capitalized interest, costs
20.19 of issuance, costs of credit enhancement, or make payments under other agreements entered
20.20 into under paragraph (e). The bonds authorized by this paragraph are for the purposes
20.21 of financing the land acquisition, design, engineering, and construction of facilities and
20.22 infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water
20.23 System project, including completion of the pipeline to Magnolia; extension of the project
20.24 to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering,
20.25 design, and easement acquisition for the final phase of the project to Worthington. No
20.26 bonds shall be sold under this subdivision until the commissioner determines that a
20.27 nonstate match of at least \$9,000,000 is committed to this project phase. Upon completion
20.28 of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision
20.29 is available for the purposes of Phase 3, which includes extension of the project from
20.30 the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington,
20.31 construction of a reservoir in Nobles County and a meter building in Worthington, and
20.32 acquiring and installing a supervisory control and data acquisition (SCADA) system.

20.33 (d) Appropriation bonds may be issued in one or more issues or series on the terms and
20.34 conditions the commissioner determines to be in the best interests of the state, but the term
20.35 on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of

21.1 each issue and series thereof shall be dated and bear interest, and may be includable in or
 21.2 excludable from the gross income of the owners for federal income tax purposes.

21.3 (e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
 21.4 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
 21.5 enter into agreements and ancillary arrangements relating to the appropriation bonds,
 21.6 including but not limited to trust indentures, grant agreements, lease or use agreements,
 21.7 operating agreements, management agreements, liquidity facilities, remarketing or
 21.8 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,
 21.9 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
 21.10 payments made or received according to the agreement or ancillary arrangement shall be
 21.11 made from or deposited as provided in the agreement or ancillary arrangement. The
 21.12 determination of the commissioner included in an interest exchange agreement that the
 21.13 agreement relates to an appropriation bond shall be conclusive.

21.14 (f) The commissioner may enter into written agreements or contracts relating to the
 21.15 continuing disclosure of information necessary to comply with or facilitate the issuance
 21.16 of appropriation bonds in accordance with federal securities laws, rules, and regulations,
 21.17 including Securities and Exchange Commission rules and regulations in Code of Federal
 21.18 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
 21.19 with purchasers and holders of appropriation bonds set forth in the order or resolution
 21.20 authorizing the issuance of the appropriation bonds, or a separate document authorized
 21.21 by the order or resolution.

21.22 (g) The appropriation bonds are not subject to chapter 16C.

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

21.24 Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is
 21.25 amended to read:

21.26 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued
 21.27 under this section and interest credited to the special appropriation Lewis and Clark bond
 21.28 proceeds fund are appropriated ~~to the commissioner:~~

21.29 (1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers
 21.30 Board for payment of capital expenses ~~for the purposes provided by~~ as specified in
 21.31 subdivision 2, paragraph (a); and

21.32 (2) to the commissioner for debt service on the bonds including capitalized interest,
 21.33 nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and
 21.34 payments under any agreements entered into under subdivision 2, paragraph (e), each as

22.1 permitted by state and federal law, ~~and such proceeds may be granted, loaned, or otherwise~~
 22.2 ~~provided for the public purposes provided by subdivision 2, paragraph (a).~~

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

22.4 Sec. 3. Minnesota Statutes 2014, section 116J.548, subdivision 2, is amended to read:

22.5 Subd. 2. **Definitions.** For purposes of this section:

22.6 (a) "Capital costs" means expenditures for the public acquisition and of land and
 22.7 buildings, betterment of public lands and buildings, and ~~for~~ other publicly owned capital
 22.8 improvements. Capital costs also include expenditures for predesign, design, engineering,
 22.9 and similar activities for specifically identified eligible projects.

22.10 (b) "Eligible project" means a development or redevelopment project that will
 22.11 generate economic development within a time frame of five years or less or facilitate the
 22.12 preparation of long-term economic development within a host community.

22.13 (c) "Economic development" means assistance in preparation of a redevelopment or
 22.14 development area contained in the application that results in at least one of the following:

22.15 (1) job creation, including jobs relating to construction and temporary jobs;

22.16 (2) an increase in the tax base;

22.17 (3) the capacity ability of the eligible project to attract private investment, and;

22.18 (4) long-term economic development;

22.19 (5) needed public infrastructure or transportation-related improvements to facilitate
 22.20 long-term redevelopment or development; or

22.21 (6) other objective criteria established by the commissioner that demonstrate a
 22.22 public benefit to the host community.

22.23 (d) "Host community" means a city located within the seven-county metropolitan
 22.24 area, as defined in section 473.121, subdivision 2, that is the site of a waste disposal
 22.25 facility that meets the standards in section 473.849, that accepts unprocessed mixed
 22.26 municipal solid waste generated in the metropolitan area.

22.27 (e) "Long-term economic development" means capital costs associated with
 22.28 economic development projects identified by a host community comprehensive plan or
 22.29 redevelopment plan that will generate eligible economic development.

22.30 Sec. 4. Minnesota Statutes 2014, section 116J.548, subdivision 3, is amended to read:

22.31 Subd. 3. **Application.** Host communities may apply for a grant under this section
 22.32 on a form and in a manner prescribed by the commissioner. In awarding grants under
 22.33 this section, ~~the commissioner shall give priority to eligible projects that, based on a~~

23.1 ~~cost-benefit analysis, provide the highest return on public investment.~~ the commissioner
23.2 must allocate available money between host communities as evenly as practicable.

23.3 Sec. 5. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

23.4 Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the
23.5 commissioner for certification as a qualified investor for a taxable year. The application
23.6 must be in the form and be made under the procedures specified by the commissioner,
23.7 accompanied by an application fee of \$350. Application fees are deposited in the small
23.8 business investment tax credit administration account in the special revenue fund. The
23.9 application for certification for 2010 must be made available on the department's Web
23.10 site by August 1, 2010. Applications for subsequent years' certification must be made
23.11 available on the department's Web site by November 1 of the preceding year.

23.12 (b) Within 30 days of receiving an application for certification under this subdivision,
23.13 the commissioner must either certify the investor as satisfying the conditions required
23.14 of a qualified investor, request additional information from the investor, or reject the
23.15 application for certification. If the commissioner requests additional information from the
23.16 investor, the commissioner must either certify the investor or reject the application within
23.17 30 days of receiving the additional information. If the commissioner neither certifies the
23.18 investor nor rejects the application within 30 days of receiving the original application or
23.19 within 30 days of receiving the additional information requested, whichever is later, then
23.20 the application is deemed rejected, and the commissioner must refund the \$350 application
23.21 fee. An investor who applies for certification and is rejected may reapply.

23.22 (c) To receive certification, an investor must (1) be a natural person; and (2) certify
23.23 to the commissioner that the investor will only invest in a transaction that is exempt under
23.24 section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a
23.25 security registered under section 80A.50, paragraph (b).

23.26 (d) In order for a qualified investment in a qualified small business to be eligible
23.27 for tax credits, a qualified investor who makes the investment must have applied for
23.28 and received certification for the calendar year prior to making the qualified investment,
23.29 except in the case of an investor who is not an accredited investor, within the meaning of
23.30 Regulation D of the Securities and Exchange Commission, Code of Federal Regulations,
23.31 title 17, section 230.501, paragraph (a), application for certification may be made within
23.32 30 days after making the qualified investment.

23.33 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
23.34 December 31, 2015.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24.25 (6) individuals served by the program must:

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

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

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

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

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

25.1 Sec. 8. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

25.2 Subdivision 1. **Creation; membership.** The Urban Initiative Board is created and
 25.3 consists of the commissioner of employment and economic development, the commissioner
 25.4 of human rights, the chair of the Metropolitan Council, and eight members from the general
 25.5 public appointed by the governor. Six of the public members must be representatives from
 25.6 minority business enterprises. No more than four of the public members may be of one
 25.7 gender. All public members must be experienced in business or economic development.

25.8 Sec. 9. Minnesota Statutes 2014, section 383B.142, is amended to read:

25.9 **383B.142 PROCEDURE.**

25.10 Subdivision 1. **Delegation of authority.** The county board may by resolution
 25.11 delegate the powers and duties enumerated in sections 383B.141 to ~~383B.151~~ 383B.1511,
 25.12 and those powers and duties necessary to the implementation of the purposes of central
 25.13 purchasing specifying the nature, scope and extent of the delegation. The authority and
 25.14 responsibility subject to delegation shall include, but not be limited to the following:

25.15 (a) purchasing and contracting for all goods, materials, supplies, equipment and
 25.16 contracted services, as provided in section 383B.143;

25.17 (b) preparation, review, modification and approval of all plans and specifications for
 25.18 goods, materials, supplies, equipment and contracted services;

25.19 (c) the transfer of any goods, materials, supplies, equipment or contracted services to
 25.20 or between departments, boards, commissions and agencies;

25.21 (d) selling or otherwise disposing of goods, materials, supplies, equipment and
 25.22 contracted services which are unusable or no longer required; and

25.23 (e) periodically reviewing and requiring department heads to supply necessary data
 25.24 concerning inventories and surpluses and monitoring compliance by department heads
 25.25 with purchasing laws, rules, regulations and procedures.

25.26 Subd. 2. **Administrator's duties.** Notwithstanding the provisions of section
 25.27 373.02, the county board may delegate its purchasing powers and duties to the county
 25.28 administrator. The county administrator, wherever referred to in sections 383B.141 to
 25.29 ~~383B.151~~ 383B.1511, may designate and delegate a purchasing manager or other person
 25.30 to perform the tasks empowered or assigned to the county administrator. Any purchase in
 25.31 excess of \$3,500 shall require the signature of the county administrator or designee.

25.32 Sec. 10. **383B.1511] JOB ORDER CONTRACTING.**

25.33 Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision
 25.34 apply.

26.1 (b) "Job order contracting" means a project delivery method that requests a limited
26.2 number of bids from a list of qualified contractors, selected from a registry of qualified
26.3 contractors who have been prescreened and who have entered into master contracts with
26.4 the county, as provided in this section.

26.5 (c) "Project" means an undertaking by the county to construct, alter, maintain, repair,
26.6 or enlarge a building, structure, road, or bridge, or make other improvements.

26.7 (d) "Request for qualifications" means the document or publication soliciting
26.8 qualifications for a job order contracting contract.

26.9 Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize
26.10 job order contracting for projects that do not exceed a construction cost of \$250,000.

26.11 Subd. 3. **Job order contracting request for qualifications.** (a) The county is
26.12 authorized to issue a request for qualifications that includes the criteria that will be
26.13 used for the projects, provided that these criteria (1) do not unduly restrict competition
26.14 or impose conditions beyond reasonable requirements, in order to ensure maximum
26.15 participation of all qualified contractors, and (2) do not relate to the collective bargaining
26.16 status of the contractor.

26.17 (b) The request for qualifications must be publicized in a manner designated by the
26.18 county that ensures open and unrestricted access for any potential responder. To the extent
26.19 practical, this must include posting on a county Web site.

26.20 Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the
26.21 request for qualifications and determine each proposer's ability to enter into the master
26.22 contract that will be utilized for the projects. The county shall establish a list of qualified
26.23 contractors based on the proposers' ability to enter into a master contract as described
26.24 in the request for qualifications.

26.25 (b) The county may establish a reasonable limit to the number of contractors on the
26.26 registry of qualified contractors, based on the reasonable needs of the county. The county
26.27 may reserve up to 75 percent of the registry for certified small business enterprises that
26.28 may include minority-owned business enterprises, women-owned business enterprises,
26.29 and veteran-owned businesses. The remaining 25 percent of the registry may include
26.30 qualified businesses of any size or ownership.

26.31 (c) The county shall establish procedures to allow firms to submit qualifications at
26.32 least every 24 months to allow placement on the list of contractors qualified to enter
26.33 into a master contract. The county is not prohibited from accepting qualifications more
26.34 frequently or on an ongoing or rolling basis.

27.1 Subd. 5. **Construction services bidding.** The county shall request bids for
27.2 construction services for any project using job order contracting from qualified contractors
27.3 as follows:

27.4 (1) for projects up to a maximum cost of \$50,000, the county shall request a
27.5 minimum of two bids;

27.6 (2) for projects with a cost greater than \$50,000, but less than or equal to \$100,000,
27.7 the county shall request a minimum of three bids; and

27.8 (3) for projects with a cost greater than \$100,000, but less than or equal to \$250,000,
27.9 the county shall request a minimum of four bids.

27.10 Subd. 6. **Qualified contractor selection.** The county shall select the contractor who
27.11 submits the lowest price bid for the construction services proposed. At the discretion of
27.12 the county, any or all bids may be rejected if it is determined to be in the best interest
27.13 of the county.

27.14 Subd. 7. **Reasonable distribution of bid requests among qualified contractors.**
27.15 The county, in requesting bidding for projects using job order contracting as described in
27.16 this section, shall develop a system to ensure a reasonable opportunity for all qualified
27.17 contractors to periodically bid on construction services.

27.18 Subd. 8. **Expiration.** The authority to enter into new contracts under this section
27.19 expires on December 31, 2019.

27.20 Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the
27.21 committees in the senate and the house of representatives that have jurisdiction over local
27.22 government operations, describing the uses of the authority provided in this section.
27.23 Uses of the authority described in the reports may include identifying the total number
27.24 of projects where this procurement method was used, the total number of contractors
27.25 qualified by the county, and the total annual expenditures for projects under this section.
27.26 The first report must be made by January 15, 2018, and subsequent reports must be made
27.27 on January 15 of each subsequent even-numbered year.

27.28 **Sec. 11. LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

27.29 Subdivision 1. **Relief program established.** Mille Lacs County must develop and
27.30 implement a Lake Mille Lacs area economic relief program to assist businesses adversely
27.31 affected by a decline in walleye fishing on Lake Mille Lacs.

27.32 Subd. 2. **Available relief.** (a) The economic relief program established under this
27.33 section may include grants or loans as provided in this section to the extent that funds are
27.34 available. Prior to awarding a grant to Mille Lacs County for the relief program under
27.35 this section:

- 28.1 (1) the county must develop criteria, procedures, and requirements for:
28.2 (i) determining eligibility for assistance;
28.3 (ii) the duration, terms, underwriting and security requirements, and repayment
28.4 requirements for loans;
28.5 (iii) evaluating applications for assistance;
28.6 (iv) awarding assistance; and
28.7 (v) administering the grant and loan program authorized under this section;
28.8 (2) the county must submit its criteria, procedures, and requirements developed
28.9 pursuant to clause (1) to the commissioner of employment and economic development
28.10 for review; and
28.11 (3) the commissioner must approve the criteria, procedures, and requirements as
28.12 developed pursuant to clause (1) to be used by the county in determining eligibility for
28.13 assistance, evaluating, awarding, and administering the grant and loan program.
28.14 (b) The relief authorized under this section includes:
28.15 (1) grants not to exceed \$50,000 per business. Grants may be awarded to applicants
28.16 only when the county determines that a loan is not appropriate to address the needs of
28.17 the applicant; and
28.18 (2) loans, with or without interest, and deferred or forgivable loans. The maximum
28.19 loan amount under this subdivision is \$100,000 per business. The lending criteria adopted
28.20 by the county for loans under this subdivision must:
28.21 (i) specify that an entity receiving a deferred or forgivable loan must remain in
28.22 the local community a minimum of five years after the date of the loan. The maximum
28.23 loan deferral period must not exceed five years from the date the loan is approved. The
28.24 maximum amount of a loan that may be forgiven must not exceed 50 percent of the
28.25 principle amount and may be forgiven only if the business has remained in operation in
28.26 the community for at least ten years after the loan is approved; and
28.27 (ii) require submission of a business plan for continued operation until the walleye
28.28 fishing resource recovers. The plan must document the probable success of the applicant's
28.29 business plan and probable success in repaying the loan according to the terms established
28.30 for the loan program; and
28.31 (3) tourism promotion grants to the Mille Lacs Tourism Council.
28.32 (c) All loan repayment funds under this subdivision must be paid to the commissioner
28.33 of employment and economic development for deposit in the Minnesota investment fund
28.34 disaster contingency account under Minnesota Statutes, section 116J.8731.
28.35 Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a
28.36 business must:

29.1 (1) be located within one of the following municipalities surrounding Lake Mille

29.2 Lacs:

29.3 (i) in Crow Wing County, the city of Garrison, township of Garrison, or township
29.4 of Roosevelt;

29.5 (ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township
29.6 of Malmo, or township of Lakeside; or

29.7 (iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township
29.8 of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

29.9 (2) document a reduction of at least ten percent in gross receipts in any two-year
29.10 period since 2010; and

29.11 (3) be a business in one of the following industries, as defined within the
29.12 North American Industry Classification System: accommodation, restaurants, bars,
29.13 amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail,
29.14 general retail, museums, historical sites, health and personal care, gas station, general
29.15 merchandise, business and professional membership, movies, or nonstore retailer, as
29.16 determined by Mille Lacs County in consultation with the commissioner of employment
29.17 and economic development.

29.18 Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures
29.19 that include, but are not limited to, the following components:

29.20 (1) the number of loans approved and the amounts and terms of the loans;

29.21 (2) the number of grants awarded, award amounts, and the reason that a grant award
29.22 was made in lieu of a loan;

29.23 (3) the loan default rate;

29.24 (4) the number of jobs created or retained as a result of the assistance, including
29.25 information on the wages and benefit levels, the status of the jobs as full-time or part-time,
29.26 and the status of the jobs as temporary or permanent;

29.27 (5) the amount of business activity and changes in gross revenues of the grant or
29.28 loan recipient as a result of the assistance; and

29.29 (6) the new tax revenue generated as a result of the assistance.

29.30 (b) The commissioner of employment and economic development must monitor
29.31 Mille Lacs County's compliance with this section and the performance measures
29.32 developed under paragraph (a).

29.33 (c) Mille Lacs County must comply with all requests made by the commissioner
29.34 under this section.

30.1 Subd. 5. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not
30.2 apply to assistance under this section. Businesses in receipt of assistance under this section
30.3 must provide for job creation and retention goals, and wage and benefit goals.

30.4 Subd. 6. **Administrative costs.** The commissioner of employment and economic
30.5 development may use up to one percent of the appropriation made for this section for
30.6 administrative expenses of the department.

30.7 **EFFECTIVE DATE.** This section, except for subdivision 4, is effective July 1,
30.8 2016, and expires June 30, 2017. Subdivision 4 is effective July 1, 2016, and expires on
30.9 the date the last loan is repaid or forgiven as provided under this section.

30.10 Sec. 12. **REPEALER.**

30.11 Minnesota Statutes 2014, section 116U.26, is repealed.

30.12 **ARTICLE 3**

30.13 **LABOR AND INDUSTRY**

30.14 Section 1. Minnesota Statutes 2014, section 182.653, subdivision 9, is amended to read:

30.15 Subd. 9. **Standard industrial classification list.** The commissioner shall adopt,
30.16 in accordance with section 182.655, a rule specifying a list of either standard industrial
30.17 classifications of employers or North American industry classifications of employers who
30.18 must comply with subdivision 8. The commissioner shall demonstrate the need to include
30.19 each industrial classification on the basis of the safety record or workers' compensation
30.20 record of that industry segment. An employer must comply with subdivision 8 six months
30.21 following the date the standard industrial classification or North American industry
30.22 classification that applies to the employee is placed on the list. ~~An employer having less~~
30.23 ~~than 51 employees must comply with subdivision 8 six months following the date the~~
30.24 ~~standard industrial classification or North American industry classification that applies~~
30.25 ~~to the employee is placed on the list or by July 1, 1993, whichever is later.~~ The list shall
30.26 be updated every ~~two~~ five years.

30.27 Sec. 2. **HANDS OFF CHILD CARE; REPEALER.**

30.28 Minnesota Statutes 2014, sections 179A.50; 179A.51; 179A.52; and 179A.53, are
30.29 repealed.

ARTICLE 4**HOUSING**

31.1

31.2

31.3 Section 1. Minnesota Statutes 2014, section 462A.204, subdivision 1, is amended to
31.4 read:

31.5 Subdivision 1. **Establishment.** The agency may establish a family homeless
31.6 prevention and assistance program to assist families who are homeless or are at imminent
31.7 risk of homelessness. The term "family" may include single individuals. The agency may
31.8 make grants to develop and implement family homeless prevention and assistance projects
31.9 under the program. For purposes of this section, "families" means families and persons
31.10 ~~under the age of 22~~ 24 years of age or younger.

31.11 Sec. 2. Minnesota Statutes 2014, section 462A.204, subdivision 3, is amended to read:

31.12 Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of
31.13 the metropolitan area. A county, a group of contiguous counties jointly acting together, a
31.14 tribe, a group of tribes, or a community-based nonprofit organization with a sponsoring
31.15 resolution from each of the county boards of the counties located within its operating
31.16 jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

ARTICLE 5**WORKERS' COMPENSATION COURT OF APPEALS PROPOSALS**

31.17

31.18

31.19 Section 1. Minnesota Statutes 2014, section 176.081, subdivision 1, is amended to read:

31.20 Subdivision 1. **Limitation of fees.** (a) A fee for legal services of 20 percent of the
31.21 first \$130,000 of compensation awarded to the employee is the maximum permissible fee
31.22 and does not require approval by the commissioner, compensation judge, or any other
31.23 party. All fees, including fees for obtaining medical or rehabilitation benefits, must be
31.24 calculated according to the formula under this subdivision, except as otherwise provided
31.25 in clause (1) or (2).

31.26 (1) The contingent attorney fee for recovery of monetary benefits according to the
31.27 formula in this section is presumed to be adequate to cover recovery of medical and
31.28 rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of
31.29 medical or rehabilitation benefits or services shall be assessed against the employer or
31.30 insurer only if the attorney establishes that the contingent fee is inadequate to reasonably
31.31 compensate the attorney for representing the employee in the medical or rehabilitation

32.1 dispute. In cases where the contingent fee is inadequate the employer or insurer is liable
32.2 for attorney fees based on the formula in this subdivision or in clause (2).

32.3 For the purposes of applying the formula where the employer or insurer is liable for
32.4 attorney fees, the amount of compensation awarded for obtaining disputed medical and
32.5 rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar
32.6 value of the medical or rehabilitation benefit awarded, where ascertainable.

32.7 (2) The maximum attorney fee for obtaining a change of doctor or qualified
32.8 rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which
32.9 a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the
32.10 representation or \$500, whichever is less, to be paid by the employer or insurer.

32.11 (3) The fees for obtaining disputed medical or rehabilitation benefits are included
32.12 in the \$26,000 limit in paragraph (b). An attorney must concurrently file all outstanding
32.13 disputed issues. An attorney is not entitled to attorney fees for representation in any
32.14 issue which could reasonably have been addressed during the pendency of other issues
32.15 for the same injury.

32.16 (b) All fees for legal services related to the same injury are cumulative and may
32.17 not exceed \$26,000. If multiple injuries are the subject of a dispute, the commissioner,
32.18 compensation judge, or court of appeals shall specify the attorney fee attributable to
32.19 each injury.

32.20 (c) If the employer or the insurer or the defendant is given written notice of claims
32.21 for legal services or disbursements, the claim shall be a lien against the amount paid
32.22 or payable as compensation. Subject to the foregoing maximum amount for attorney
32.23 fees, up to 20 percent of the first \$130,000 of periodic compensation awarded to the
32.24 employee may be withheld from the periodic payments for attorney fees or disbursements
32.25 if the payor of the funds clearly indicates on the check or draft issued to the employee for
32.26 payment the purpose of the withholding, the name of the attorney, the amount withheld,
32.27 and the gross amount of the compensation payment before withholding. In no case
32.28 shall fees be calculated on the basis of any undisputed portion of compensation awards.
32.29 Allowable fees under this chapter shall be based solely upon genuinely disputed claims or
32.30 portions of claims, including disputes related to the payment of rehabilitation benefits or
32.31 to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a
32.32 disagreement after the employer or insurer has had adequate time and information to take
32.33 a position on liability. Neither the holding of a hearing nor the filing of an application for a
32.34 hearing alone may determine the existence of a dispute. Except where the employee is
32.35 represented by an attorney in other litigation pending at the department or at the Office
32.36 of Administrative Hearings, a fee may not be charged after June 1, 1996, for services

33.1 with respect to a medical or rehabilitation issue arising under section 176.102, 176.135,
33.2 or 176.136 performed before the employee has consulted with the department and the
33.3 department certifies that there is a dispute and that it has tried to resolve the dispute.

33.4 (d) An attorney who is claiming legal fees for representing an employee in a workers'
33.5 compensation matter shall file a statement of attorney fees with the commissioner, or
33.6 compensation judge before whom the matter was heard, ~~or Workers' Compensation Court~~
33.7 ~~of Appeals on cases before the court.~~ A copy of the signed retainer agreement shall also
33.8 be filed. The employee and insurer shall receive a copy of the statement. The statement
33.9 shall be on a form prescribed by the commissioner and shall report the number of hours
33.10 spent on the case.

33.11 (e) Employers and insurers may not pay attorney fees or wages for legal services
33.12 of more than \$26,000 per case.

33.13 (f) An attorney must file a statement of attorney fees within 12 months of the date
33.14 the attorney has submitted the written notice specified in paragraph (c). If the attorney
33.15 has not filed a statement of attorney fees within the 12 months, the attorney must send a
33.16 renewed notice of lien to the insurer. If 12 months have elapsed since the last notice of
33.17 lien has been received by the insurer and no statement of attorney fees has been filed, the
33.18 insurer must release the withheld money to the employee, except that before releasing the
33.19 money to the employee, the insurer must give the attorney 30 days' written notice of the
33.20 pending release. The insurer must not release the money if the attorney files a statement of
33.21 attorney fees within the 30 days.

33.22 Sec. 2. Minnesota Statutes 2014, section 176.081, subdivision 3, is amended to read:

33.23 Subd. 3. **Review.** A party that is dissatisfied with its attorney fees awarded by the
33.24 commissioner or a compensation judge may file an application a petition for review by the
33.25 Workers' Compensation Court of Appeals. The application petition shall state the basis for
33.26 the need of review and whether or not a hearing is requested. A copy of the application
33.27 petition shall be served by the court upon the party's attorney ~~by the court administrator~~
33.28 ~~and if a hearing is requested by either party, the matter shall be set for hearing awarded~~
33.29 or denied attorney fees. ~~The notice of hearing shall be served upon known interested~~
33.30 ~~parties.~~ The Workers' Compensation Court of Appeals shall have the authority to raise
33.31 the issue of the attorney fees at any time upon its own motion and shall have continuing
33.32 jurisdiction over attorney fees.

33.33 Sec. 3. Minnesota Statutes 2014, section 176.471, subdivision 3, is amended to read:

34.1 Subd. 3. **Service of writ and bond; filing fee.** To effect a review upon certiorari,
34.2 the party shall serve a writ of certiorari ~~and a bond~~ upon the administrator of the Workers'
34.3 Compensation Court of Appeals within the 30-day period referred to in subdivision 1. The
34.4 party shall also at this time pay to the ~~administrator~~ clerk of the appellate courts the fee
34.5 prescribed by rule ~~103.01~~ 116.03 of the Rules of Civil Appellate Procedure ~~which shall be~~
34.6 ~~disposed of in the manner provided by that rule.~~

34.7 Sec. 4. Minnesota Statutes 2014, section 176.471, subdivision 5, is amended to read:

34.8 Subd. 5. **Bond.** ~~The bond required by subdivision 3 shall be executed in such~~
34.9 ~~amount and with such sureties as the Workers' Compensation Court of Appeals directs~~
34.10 ~~and approves. The bond shall be conditioned to pay the cost of the review. The Workers'~~
34.11 ~~Compensation Court of Appeals may, upon motion of any respondent and a showing that~~
34.12 ~~extraordinary circumstances warrant the requirement of a cost bond, order that a bond be~~
34.13 ~~provided as prescribed by rule 107.02 of the Rules of Civil Appellate Procedure.~~

34.14 Sec. 5. Minnesota Statutes 2014, section 176.511, subdivision 2, is amended to read:

34.15 Subd. 2. **Disbursements, taxation.** The commissioner or compensation judge, or
34.16 ~~on appeal~~ the Workers' Compensation Court of Appeals on cases before the court, may
34.17 award the prevailing party reimbursement for actual and necessary disbursements. ~~These~~
34.18 ~~Disbursements shall be taxed upon five~~ ten days' written notice to adverse parties.

34.19 Sec. 6. Minnesota Statutes 2014, section 176.511, subdivision 3, is amended to read:

34.20 Subd. 3. **Attorney fee, allowance.** ~~Where upon an appeal to the Workers'~~
34.21 ~~Compensation Court of Appeals, (1) an award of compensation is affirmed, or modified~~
34.22 ~~and affirmed, or (2) an order disallowing compensation is reversed, or (3) a petition to~~
34.23 ~~vacate an award is granted, the Workers' Compensation Court of Appeals may include in~~
34.24 ~~its award as an incident to its review on appeal an amount to cover a reasonable attorney~~
34.25 ~~fee; or it may allow the an attorney fee in a proceeding to tax disbursements.~~

34.26 If the employer or insurer files a notice of discontinuance of an employee's benefits
34.27 and an administrative conference is held to resolve the dispute, but the employer or insurer
34.28 fails to attend the administrative conference, the commissioner or compensation judge
34.29 may order the employer or insurer to pay the employee's attorney fees as a cost under this
34.30 section if the employee's benefits are continued.

34.31 Sec. 7. **EFFECTIVE DATE.**

34.32 Sections 1 to 6 are effective the day following final enactment.

35.1 **ARTICLE 6**35.2 **WORKERS' COMPENSATION DEPARTMENT PROPOSALS**

35.3 Section 1. Minnesota Statutes 2015 Supplement, section 176.135, subdivision 7a,
35.4 is amended to read:

35.5 Subd. 7a. **Electronic transactions.** (a) For purposes of this subdivision, the
35.6 following terms have the meanings given:

35.7 (1) "workers' compensation payer" means a workers' compensation insurer and an
35.8 employer, or group of employers, that is self-insured for workers' compensation;

35.9 (2) "clearinghouse" has the meaning given in section 62J.51, subdivision 11a; and

35.10 (3) "electronic transactions" means the health care administrative transactions
35.11 described in section 62J.536.

35.12 (b) In addition to the requirements of section 62J.536, workers' compensation payers
35.13 and health care providers must comply with the requirements in paragraphs (c) to (e).

35.14 (c) No later than January 1, 2016, each workers' compensation payer must place
35.15 the following information in a prominent location on its Web site or otherwise provide
35.16 the information to health care providers:

35.17 (1) the name of each clearinghouse with which the workers' compensation payer has
35.18 an agreement to exchange or transmit electronic transactions, along with the identification
35.19 number each clearinghouse has assigned to the payer in order to route electronic
35.20 transactions through intermediaries or other clearinghouses to the payer;

35.21 (2) information about how a health care provider can obtain the claim number
35.22 assigned by the workers' compensation payer for an employee's claim and how the
35.23 provider should submit the claim number in the appropriate field on the electronic bill to
35.24 the payer; and

35.25 (3) the name, phone number, and e-mail address of contact persons who can answer
35.26 questions related to electronic transactions on behalf of the workers' compensation payer
35.27 and the clearinghouses with which the payer has agreements.

35.28 (d) No later than ~~July 1, 2016~~ January 1, 2017:

35.29 (1) health care providers must electronically submit copies of medical records or
35.30 reports that substantiate the nature of the charge and its relationship to the work injury
35.31 using the ~~most recently approved~~ ASC X12N 5010 version of the ASC X12N 275
35.32 transaction ("Additional Information to Support Health Care Claim or Encounter"),
35.33 according to the requirements in the corresponding implementation guide. The ASC X12N
35.34 275 transaction is the only one that shall be used to electronically submit attachments

36.1 unless a national standard is adopted by federal law or rule. If a new version of the
36.2 attachment transaction is approved, it must be used one year after the approval date;

36.3 (2) workers' compensation payers and all clearinghouses receiving or transmitting
36.4 workers' compensation bills must accept attachments using the ASC X12N 275 transaction
36.5 and must respond with the ~~most recently approved~~ ASC X12N 5010 version of the ASC
36.6 X12 electronic acknowledgment for the attachment transaction. If a new version of the
36.7 acknowledgment transaction is approved, it must be used one year after the approval
36.8 date; and

36.9 (3) if a different national claims attachment or acknowledgment requirement is
36.10 adopted by federal law or rule, it will replace the ASC X12N 275 transaction, and the new
36.11 standard must be used on the date that it is required by the federal law or rule.

36.12 (e) No later than September 1, 2015, workers' compensation payers must provide
36.13 the patient's name and patient control number on or with all payments made to a provider
36.14 under this chapter, whether payment is made by check or electronic funds transfer. The
36.15 information provided on or with the payment must be sufficient to allow providers to
36.16 match the payment to specific bills. If a bulk payment is made to a provider for more than
36.17 one patient, the check or electronic funds transfer statement must also specify the amount
36.18 being paid for each patient. For purposes of this paragraph, the patient control number is
36.19 located on the electronic health care claim 837 transaction, loop 2300, segment CLM01,
36.20 and on the electronic health care claim payment/advice 835 transaction, loop 2100, CLP01.

36.21 (f) The commissioner may assess a monetary penalty of \$500 for each violation of
36.22 this section, not to exceed \$25,000 for identical violations during a calendar year. Before
36.23 issuing a penalty for a first violation of this section, the commissioner must provide written
36.24 notice to the noncompliant payer, clearinghouse, or provider that a penalty may be issued
36.25 if the violation is not corrected within 30 days. Penalties under this paragraph are payable
36.26 to the commissioner for deposit in the assigned risk safety account.

36.27 Sec. 2. Minnesota Statutes 2015 Supplement, section 176.136, subdivision 1b, is
36.28 amended to read:

36.29 Subd. 1b. **Limitation of liability.** (a) The liability of the employer for treatment,
36.30 articles, and supplies provided to an employee while an inpatient or outpatient at a Critical
36.31 Access Hospital certified by the Centers for Medicare and Medicaid Services, or while an
36.32 outpatient at a hospital with 100 or fewer licensed beds, shall be the hospital's usual and
36.33 customary charge, unless the charge is determined by the commissioner or a compensation
36.34 judge to be unreasonably excessive.

37.1 (b) The liability of the employer for the treatment, articles, and supplies that are not
37.2 limited by paragraph (a), subdivision 1a, 1c, or section 176.1362 shall be limited to 85
37.3 percent of the provider's usual and customary charge, or 85 percent of the prevailing
37.4 charges for similar treatment, articles, and supplies furnished to an injured person when
37.5 paid for by the injured person, whichever is lower. On this basis, the commissioner or
37.6 compensation judge may determine the reasonable value of all treatment, services, and
37.7 supplies, and the liability of the employer is limited to that amount. The commissioner
37.8 may by rule establish the reasonable value of a service, article, or supply in lieu of the
37.9 85 percent limitation in this paragraph. A prevailing charge established under Minnesota
37.10 Rules, part 5221.0500, subpart 2, must be based on no more than two years of billing data
37.11 immediately preceding the date of the service.

37.12 (c) The limitation of liability for charges provided by paragraph (b) does not apply
37.13 to a nursing home that participates in the medical assistance program and whose rates are
37.14 established by the commissioner of human services.

37.15 (d) An employer's liability for treatment, articles, and supplies provided under this
37.16 chapter by a health care provider located outside of Minnesota is limited to the payment that
37.17 the health care provider would receive if the treatment, article, or supply were paid under
37.18 the workers' compensation law of the jurisdiction in which the treatment was provided.

37.19 Sec. 3. Minnesota Statutes 2014, section 176.571, subdivision 1, is amended to read:

37.20 Subdivision 1. **Preliminary investigation.** When the head of a department has filed
37.21 a report or the commissioner of administration has otherwise received information of
37.22 the occurrence of an injury to a state employee for which liability to pay compensation
37.23 may exist, the commissioner of administration shall make a preliminary investigation to
37.24 determine the question of probable liability.

37.25 In making this investigation, the commissioner of administration may require the
37.26 assistance of the head of any department or any employee of the state. The commissioner
37.27 of ~~management and budget administration~~ administration may require that all facts be furnished which
37.28 appear in the records of any state department bearing on the issue.

37.29 Sec. 4. **EFFECTIVE DATE.**

37.30 Sections 1 to 3 are effective the day following enactment.

37.31 **ARTICLE 7**

37.32 **WORKERS' COMPENSATION LITIGATION-RELATED PROPOSALS**

37.33 Section 1. Minnesota Statutes 2014, section 176.011, subdivision 7a, is amended to read:

38.1 Subd. 7a. ~~(1) Compensation judge.~~ "Compensation judge" means a workers'
38.2 compensation judge at the Office of Administrative Hearings.

38.3 ~~(2) Calendar judge.~~ "Calendar judge" means a workers' compensation judge at the
38.4 Office of Administrative Hearings.

38.5 ~~(3) Compensation judge.~~ "Compensation judge" means a compensation judge at
38.6 the Department of Labor and Industry. Compensation judges may conduct settlement
38.7 conferences, issue summary decisions, approve settlements and issue awards thereon,
38.8 determine petitions for attorney fees and costs, and make other determinations,
38.9 decisions, orders, and awards as may be delegated to them by law or the commissioner.
38.10 Compensation judges must be learned in the law.

38.11 Sec. 2. Minnesota Statutes 2014, section 176.137, subdivision 1, is amended to read:

38.12 Subdivision 1. **Requirement; determination.** The employer shall furnish to an
38.13 employee who is permanently disabled because of a personal injury suffered in the course
38.14 of employment with that employer such alteration or remodeling of the employee's
38.15 principal residence as is reasonably required to enable the employee to move freely into
38.16 and throughout the residence and to otherwise adequately accommodate the disability.
38.17 Any remodeling or alteration shall be furnished only when the division ~~or Workers'~~
38.18 ~~Compensation Court of Appeals~~ determines that the injury is to such a degree that the
38.19 employee is substantially prevented from functioning within the principal residence.

38.20 Sec. 3. Minnesota Statutes 2014, section 176.137, subdivision 4, is amended to read:

38.21 Subd. 4. **Certification required; exceptions.** (a) Except as provided in paragraph
38.22 (b), no award may be made except upon the certification of a licensed architect to the
38.23 division ~~or Workers' Compensation Court of Appeals~~ that the proposed alteration or
38.24 remodeling of an existing residence or the building or purchase of a new or different
38.25 residence is reasonably required for the purposes specified in subdivision 1. The Council on
38.26 Disability shall advise the division ~~or Workers' Compensation Court of Appeals~~ as provided
38.27 in section 256.482, subdivision 5, clause (7). The alteration or remodeling of an existing
38.28 residence, or the building or purchase of a new home must be done under the supervision
38.29 of a licensed architect relative to the specific needs to accommodate the disability.

38.30 (b) Remodeling or alteration projects do not require an architect's certification and
38.31 supervision if the project is:

38.32 (1) approved by the Council on Disability;

38.33 (2) performed by a residential building contractor or residential remodeler licensed
38.34 under section 326B.805, subdivision 1; and

39.1 (3) approved by a certified building official or certified accessibility specialist under
39.2 section 326B.133, subdivision 3a, paragraphs (b) and (d), who states in writing that the
39.3 proposed remodeling or alterations are reasonably required to enable the employee to move
39.4 freely into and throughout the residence and to otherwise accommodate the disability.

39.5 Sec. 4. Minnesota Statutes 2014, section 176.137, is amended by adding a subdivision
39.6 to read:

39.7 Subd. 6. **Disputes.** A proceeding to resolve a dispute under this section shall be
39.8 initiated by petition under sections 176.271 and 176.291 and decided by a compensation
39.9 judge at the office under section 176.305, 176.322, or 176.341. The decision of the
39.10 compensation judge is appealable to the Workers' Compensation Court of Appeals under
39.11 section 176.421.

39.12 Sec. 5. Minnesota Statutes 2014, section 176.331, is amended to read:

39.13 **176.331 PROCEEDINGS WHEN ANSWER NOT FILED.**

39.14 Except in cases involving multiple employers or multiple insurers, if an adverse
39.15 party fails to file and serve an answer or obtain an extension from the commissioner or the
39.16 petitioner as required by section 176.321, subdivision 3, the commissioner shall refer the
39.17 matter to the chief administrative law judge for an immediate hearing and prompt award
39.18 or other order. The adverse party that failed to file an answer may appear at the hearing,
39.19 present evidence and question witnesses, but shall not be granted a continuance ~~for any~~
39.20 ~~reason~~ except upon a showing of good cause.

39.21 If an adverse party who fails to serve and file an answer is neither insured for
39.22 workers' compensation liability nor a licensed self-insured as required by section 176.181
39.23 and the special compensation fund is a party to the proceeding, the commissioner or
39.24 compensation judge may enter an order awarding benefits to the petitioning party without
39.25 a hearing if so requested by the special compensation fund.

39.26 Sec. 6. Minnesota Statutes 2014, section 176.361, subdivision 1, is amended to read:

39.27 Subdivision 1. **Right to intervene.** A person who has an interest in any matter
39.28 before the Workers' Compensation Court of Appeals, or commissioner, or compensation
39.29 judge such that the person may either gain or lose by an order or decision may intervene in
39.30 the proceeding by filing ~~an application or~~ a motion in writing stating the facts which show
39.31 the interest. The commissioner is considered to have an interest and shall be permitted
39.32 to intervene at the appellate level when a party relies in its claim or defense upon any

40.1 statute or rule administered by the commissioner, or upon any rule, order, requirement, or
40.2 agreement issued or made under the statute or rule.

40.3 The commissioner may adopt rules, not inconsistent with this section to govern
40.4 intervention. The Workers' Compensation Court of Appeals shall adopt rules to govern the
40.5 procedure for intervention in matters before it.

40.6 If the Department of Human Services or the Department of Employment and
40.7 Economic Development seeks to intervene in any matter before the division, a
40.8 compensation judge or the Workers' Compensation Court of Appeals, a nonattorney
40.9 employee of the department, acting at the direction of the staff of the attorney general,
40.10 may prepare, sign, serve and file motions for intervention and related documents, ~~appear~~
40.11 ~~at~~ attend prehearing conferences, and participate in matters before a compensation judge
40.12 or the Workers' Compensation Court of Appeals. Any other interested party may intervene
40.13 using a nonattorney and may participate in any proceeding to the same extent an attorney
40.14 could. This activity shall not be considered to be the unauthorized practice of law. An
40.15 intervenor represented by a nonattorney shall be deemed to be represented by an attorney
40.16 for the purposes of the conclusive presumption of section 176.521, subdivision 2.

40.17 Subdivisions 3 to 6 do not apply to ~~matters pending in the mediation or rehabilitation~~
40.18 ~~and medical services sections~~ the following proceedings conducted by the Department
40.19 of Labor and Industry or the office: mediation proceedings; discontinuance conferences
40.20 under section 176.239; or administrative conferences under section 176.106.

40.21 Sec. 7. Minnesota Statutes 2014, section 176.361, subdivision 2, is amended to read:

40.22 Subd. 2. **Written ~~application or motion~~.** A person desiring to intervene in a
40.23 workers' compensation case as a party, including but not limited to a health care provider
40.24 who has rendered services to an employee or an insurer who has paid benefits under
40.25 section 176.191, shall submit a timely written ~~application or motion~~ to intervene to the
40.26 commissioner, the office, or to the court of appeals, whichever is applicable.

40.27 (a) The ~~application or motion~~ must be served on all parties, except for other
40.28 intervenors, either personally, by first class mail, or by registered mail, return receipt
40.29 requested. ~~An application or A~~ motion to intervene must be served and filed within 60
40.30 days after a potential intervenor has been served with notice of a right to intervene or
40.31 within 30 days of notice of an administrative conference. Upon the filing of a timely
40.32 ~~application or motion~~ to intervene, the potential intervenor shall be granted intervenor
40.33 status without the need for an order. Objections to the intervention may be subsequently
40.34 addressed by a compensation judge. Where a motion to intervene is not timely filed
40.35 under this section, the potential intervenor interest shall be extinguished and the potential

41.1 intervenor may not collect, or attempt to collect, the extinguished interest from the
41.2 employee, employer, insurer, or any government program.

41.3 (b) The ~~application or~~ motion must show how the applicant's legal rights, duties, or
41.4 privileges may be determined or affected by the case; state the grounds and purposes for
41.5 which intervention is sought; and indicate the statutory right to intervene. The ~~application~~
41.6 ~~or~~ motion must be accompanied by the following:

41.7 (1) an itemization of disability payments showing the period during which the
41.8 payments were or are being made; the weekly or monthly rate of the payments; and the
41.9 amount of reimbursement claimed;

41.10 (2) a summary of the medical or treatment payments, or rehabilitation services
41.11 provided by the Vocational Rehabilitation Unit, broken down by creditor, showing the
41.12 total bill submitted, the period of treatment or rehabilitation covered by that bill, the
41.13 amount of payment on that bill, and to whom the payment was made;

41.14 (3) copies of all medical or treatment bills ~~on which some~~ for which payment was
41.15 ~~made~~ is sought;

41.16 (4) copies of the work sheets or other information stating how the payments on
41.17 medical or treatment bills were calculated;

41.18 (5) a copy of the relevant policy or contract provisions upon which the claim for
41.19 reimbursement is based;

41.20 (6) the name and telephone number of the person representing the intervenor who
41.21 has authority to represent the intervenor, including but not limited to the authority to
41.22 reach a settlement of the issues in dispute;

41.23 (7) proof of service or copy of the registered mail receipt evidencing service on all
41.24 parties except for other intervenors;

41.25 (8) at the option of the intervenor, a proposed stipulation which states that all of the
41.26 payments for which reimbursement is claimed are related to the injury or condition in
41.27 dispute in the case and that, if the petitioner is successful in proving the compensability of
41.28 the claim, it is agreed that the sum be reimbursed to the intervenor; and

41.29 (9) if represented by an attorney, the name, address, telephone number, and
41.30 Minnesota Supreme Court license number of the attorney.

41.31 Sec. 8. Minnesota Statutes 2014, section 176.361, subdivision 3, is amended to read:

41.32 Subd. 3. **Stipulation.** If the person submitting the ~~application or~~ motion for
41.33 ~~intervention~~ to intervene has included a proposed stipulation, all parties shall either
41.34 execute and return the signed stipulation to the intervenor who must file it with the
41.35 division or judge or serve upon the intervenor and all other parties and file with the

42.1 division specific and detailed objections to any payments made by the intervenor which
42.2 are not conceded to be correct and related to the injury or condition the petitioner has
42.3 asserted is compensable. If a party has not returned the signed stipulation or filed specific
42.4 and detailed objections within 30 days of service of the ~~application or motion to intervene~~,
42.5 the intervenor's right to reimbursement for the amount sought is deemed established
42.6 provided that the petitioner's claim is determined to be compensable. The office may
42.7 establish procedures for filing objections if a timely motion to intervene is filed less than
42.8 30 days before a scheduled hearing.

42.9 Sec. 9. Minnesota Statutes 2014, section 176.361, subdivision 4, is amended to read:

42.10 Subd. 4. **Attendance by intervenor.** ~~Unless a stipulation has been signed and filed or~~
42.11 ~~the intervenor's right to reimbursement has otherwise been established, the intervenor shall~~
42.12 ~~attend all settlement or pretrial conferences, administrative conferences, and the hearing.~~
42.13 ~~Failure~~ A person who has submitted a timely written motion to intervene, as required by
42.14 subdivision 2, is not required to attend settlement or pretrial conferences or the hearing,
42.15 unless attendance is ordered by the compensation judge assigned to the case, pursuant to a
42.16 motion to require the intervenor's attendance filed by a party or as a matter of the judge's
42.17 discretion. A motion to require attendance must be served and filed at least 20 days before
42.18 a scheduled hearing, and the compensation judge must serve and file an order granting or
42.19 denying the motion at least ten days before a scheduled hearing. If attendance is ordered,
42.20 failure of the intervenor to appear attend a proceeding either in person or, if approved by
42.21 the compensation judge, by telephone or some other electronic medium, shall result in the
42.22 denial of the claim for reimbursement: except upon a showing of good cause. If attendance
42.23 has not been ordered, this subdivision does not prohibit an intervenor from attending a
42.24 conference or hearing in person, or from requesting permission from the compensation
42.25 judge to attend a conference or hearing by telephone or other electronic medium.

42.26 Sec. 10. Minnesota Statutes 2014, section 176.361, subdivision 5, is amended to read:

42.27 Subd. 5. **Order Objections.** ~~If an~~ a specific and detailed objection to intervention
42.28 remains following settlement or pretrial conferences, the issue shall be addressed at the
42.29 hearing. If the intervenor has not been ordered to attend the hearing pursuant to subdivision
42.30 4, or has received permission to attend the hearing by telephone or other electronic
42.31 medium, the intervenor may provide a written response to the objection before the hearing
42.32 according to subdivision 6 for consideration as a matter of discretion by the judge.

42.33 Sec. 11. Minnesota Statutes 2014, section 176.361, subdivision 6, is amended to read:

43.1 Subd. 6. **Presentation of evidence by intervenor.** Unless a stipulation has been
 43.2 signed and filed or the intervenor's right to reimbursement has otherwise been established,
 43.3 the intervenor shall present evidence in support of the claim at or before the hearing ~~unless~~
 43.4 ~~otherwise ordered by the compensation judge.~~ When the intervenor has not been ordered
 43.5 to attend the hearing pursuant to subdivision 4, or has received permission to attend the
 43.6 hearing by telephone or other electronic medium, the office may establish a procedure
 43.7 for submission of the intervenor's evidence and response to outstanding objections to
 43.8 intervention. If the intervenor does not submit a written response to the objection before
 43.9 the hearing, the compensation judge's determination on the objection must be based on
 43.10 the information and evidence submitted prior to or at the hearing, as a matter of judicial
 43.11 discretion.

43.12 Sec. 12. Minnesota Statutes 2014, section 176.361, is amended by adding a subdivision
 43.13 to read:

43.14 Subd. 8. **Chief administrative law judge orders.** The chief administrative law
 43.15 judge may issue standing orders to implement this section. The chief administrative law
 43.16 judge has the authority to issue standing orders instead of, or in addition to, the authority
 43.17 granted to the office or compensation judges under this section, provided that any standing
 43.18 order issued by the chief administrative law judge must be consistent with this section.

43.19 Sec. 13. **EFFECTIVE DATE.**

43.20 This article is effective August 1, 2016.

43.21 ARTICLE 8

43.22 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY

43.23 Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

43.24 Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does~~
 43.25 ~~not qualify for an experience rating under subdivision 3, except new employers in a high~~
 43.26 ~~experience rating industry, must be assigned, for a calendar year, a tax rate the higher of~~
 43.27 ~~(1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing~~
 43.28 ~~the total amount of unemployment benefits paid all applicants during the 48 calendar~~
 43.29 ~~months ending on June 30 of the prior calendar year by the total taxable wages of all~~
 43.30 ~~taxpaying employers during the same period, plus the applicable base tax rate and any~~
 43.31 ~~additional assessments under subdivision 2, paragraph (c).~~

43.32 (b) Each new taxpaying employer in a high experience rating industry that does not
 43.33 qualify for an experience rating under subdivision 3, must be assigned, for a calendar year,

44.1 a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed
 44.2 to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits
 44.3 paid to all applicants from high experience rating industry employers during the 48
 44.4 calendar months ending on June 30 of the prior calendar year by the total taxable wages
 44.5 of all high experience rating industry employers during the same period, to a maximum
 44.6 provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any
 44.7 additional assessments under subdivision 2, paragraph (c).

44.8 (e) An employer is considered to be in a high experience rating industry if:

44.9 (1) the employer is engaged in residential, commercial, or industrial construction,
 44.10 including general contractors;

44.11 (2) the employer is engaged in sand, gravel, or limestone mining;

44.12 (3) the employer is engaged in the manufacturing of concrete, concrete products,
 44.13 or asphalt; or

44.14 (4) the employer is engaged in road building, repair, or resurfacing, including bridge
 44.15 and tunnels and residential and commercial driveways and parking lots.

44.16 (a) Each new taxpaying employer that does not qualify for an experience rating
 44.17 under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average
 44.18 experience rating for the employer's industry, plus the applicable base tax rate and any
 44.19 additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not
 44.20 be less than one percent.

44.21 (b) The employer's industry, except for construction, is determined by the first two
 44.22 digits of the North American Industrial Classification System (NAICS). The construction
 44.23 industry is determined to five digits. For each calendar year, the commissioner must
 44.24 compute, in accordance with subdivision 3, the average industry experience rating for
 44.25 the employer's industry.

44.26 (d) (c) Regardless of any law to the contrary, a taxpaying employer must be
 44.27 assigned a tax rate under this subdivision if the employer had no taxable wages during the
 44.28 experience rating period under subdivision 3.

44.29 (e) (d) The commissioner must send to the new employer, by mail or electronic
 44.30 transmission, a determination of tax rate. An employer may appeal the determination of
 44.31 tax rate in accordance with the procedures in subdivision 6, paragraph (c).

44.32 **EFFECTIVE DATE.** This section is effective January 1, 2018, and applies to tax
 44.33 rates assigned for the calendar year 2018 and thereafter.

44.34 Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is
 44.35 amended to read:

45.1 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
45.2 unemployment benefits is effective the Sunday of the calendar week that the application
45.3 was filed. An application for unemployment benefits may be backdated one calendar week
45.4 before the Sunday of the week the application was actually filed if the applicant requests
45.5 the backdating at within seven calendar days of the time date the application is filed. An
45.6 application may be backdated only if the applicant was unemployed during the period of
45.7 the backdating. If an individual attempted to file an application for unemployment benefits,
45.8 but was prevented from filing an application by the department, the application is effective
45.9 the Sunday of the calendar week the individual first attempted to file an application.

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

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

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

45.15 (2) a new application for unemployment benefits is filed and a new benefit account is
45.16 established at the time of the withdrawal.

45.17 A determination or amended determination of eligibility or ineligibility issued under
45.18 section 268.101, that was sent before the withdrawal of the benefit account, remains in
45.19 effect and is not voided by the withdrawal of the benefit account.

45.20 (d) An application for unemployment benefits is not allowed before the Sunday
45.21 following the expiration of the benefit year on a prior benefit account. Except as allowed
45.22 under paragraph (c), an applicant may establish only one benefit account each 52 calendar
45.23 weeks. This paragraph applies to benefit accounts established under any federal law or
45.24 the law of any other state.

45.25 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to
45.26 applications for unemployment benefits filed after that date.

45.27 Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

45.28 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
45.29 unemployment benefits according to subdivision 10 except when:

45.30 (1) the applicant quit the employment because of a good reason caused by the
45.31 employer as defined in subdivision 3;

45.32 (2) the applicant quit the employment to accept other covered employment
45.33 that provided substantially equal or better terms and conditions of employment, but
45.34 the applicant did not work long enough at the second employment to have sufficient

46.1 subsequent ~~earnings~~ wages paid to satisfy the period of ineligibility that would otherwise
46.2 be imposed under subdivision 10 for quitting the first employment;

46.3 (3) the applicant quit the employment within 30 calendar days of beginning the
46.4 employment ~~because and~~ and the employment was unsuitable ~~for the applicant~~;

46.5 (4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter
46.6 reemployment assistance training;

46.7 (5) the employment was part time and the applicant also had full-time employment
46.8 in the base period, from which full-time employment the applicant separated because of
46.9 reasons for which the applicant ~~was held~~ is not ~~to be~~ ineligible, and the wage credits from
46.10 the full-time employment are sufficient to meet the minimum requirements to establish a
46.11 benefit account under section 268.07;

46.12 (6) the applicant quit because the employer notified the applicant that the applicant
46.13 was going to be laid off because of lack of work within 30 calendar days. An applicant
46.14 who quit employment within 30 calendar days of a notified date of layoff because of lack
46.15 of work is ineligible for unemployment benefits through the end of the week that includes
46.16 the scheduled date of layoff;

46.17 (7) the applicant quit the employment (i) because the applicant's serious illness or
46.18 injury made it medically necessary that the applicant quit; or (ii) in order to provide
46.19 necessary care because of the illness, injury, or disability of an immediate family member
46.20 of the applicant. This exception only applies if the applicant informs the employer of
46.21 the medical problem and requests accommodation and no reasonable accommodation
46.22 is made available.

46.23 If the applicant's serious illness is chemical dependency, this exception does not
46.24 apply if the applicant was previously diagnosed as chemically dependent or had treatment
46.25 for chemical dependency, and since that diagnosis or treatment has failed to make
46.26 consistent efforts to control the chemical dependency.

46.27 This exception raises an issue of the applicant's being available for suitable
46.28 employment under section 268.085, subdivision 1, that the commissioner must determine;

46.29 (8) the applicant's loss of child care for the applicant's minor child caused the
46.30 applicant to quit the employment, provided the applicant made reasonable effort to obtain
46.31 other child care and requested time off or other accommodation from the employer and no
46.32 reasonable accommodation is available.

46.33 This exception raises an issue of the applicant's being available for suitable
46.34 employment under section 268.085, subdivision 1, that the commissioner must determine;

47.1 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
47.2 applicant or an immediate family member of the applicant, necessitated the applicant's
47.3 quitting the employment.

47.4 For purposes of this subdivision:

47.5 (i) "domestic abuse" has the meaning given in section 518B.01;

47.6 (ii) "sexual assault" means an act that would constitute a violation of sections
47.7 609.342 to 609.3453 or 609.352; and

47.8 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

47.9 (10) the applicant quit in order to relocate to accompany a spouse;

47.10 (1) who is in the military; or

47.11 (2) whose job was transferred by the spouse's employer to a new location changed
47.12 making it impractical for the applicant to commute.

47.13 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
47.14 matters pending a determination or a decision by an unemployment law judge.

47.15 Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

47.16 Subd. 2. **Determination.** (a) The commissioner must determine any issue of
47.17 ineligibility raised by information required from an applicant under subdivision 1,
47.18 paragraph (a) or (c), and send to the applicant and any involved employer, by mail or
47.19 electronic transmission, a document titled a determination of eligibility or a determination
47.20 of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result
47.21 of a quit or a discharge of the applicant must state the effect on the employer under section
47.22 268.047. A determination must be made in accordance with this paragraph even if a
47.23 notified employer has not raised the issue of ineligibility.

47.24 (b) The commissioner must determine any issue of ineligibility raised by an
47.25 employer and send to the applicant and that employer, by mail or electronic transmission,
47.26 a document titled a determination of eligibility or a determination of ineligibility as is
47.27 appropriate. The determination on an issue of ineligibility as a result of a quit or discharge
47.28 of the applicant must state the effect on the employer under section 268.047.

47.29 If a base period employer:

47.30 (1) was not the applicant's most recent employer before the application for
47.31 unemployment benefits;

47.32 (2) did not employ the applicant during the six calendar months before the
47.33 application for unemployment benefits; and

47.34 (3) did not raise an issue of ineligibility as a result of a quit or discharge of the
47.35 applicant within ten calendar days of notification under subdivision 1, paragraph (b);

48.1 then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two
48.2 weeks following the week that the issue of ineligibility as a result of a quit or discharge of
48.3 the applicant was raised by the employer.

48.4 A communication from an employer must specifically set out why the applicant
48.5 should be determined ineligible for unemployment benefits for that communication to be
48.6 considered to have raised an issue of ineligibility for purposes of this section. A statement
48.7 of "protest" or a similar term without more information does not constitute raising an issue
48.8 of ineligibility for purposes of this section.

48.9 (c) Subject to section 268.031, an issue of ineligibility is determined based upon
48.10 that information required of an applicant, any information that may be obtained from an
48.11 applicant or employer, and information from any other source.

48.12 (d) Regardless of the requirements of this subdivision, the commissioner is not
48.13 required to send to an applicant a copy of the determination where the applicant has
48.14 satisfied a period of ineligibility because of a quit or a discharge under section 268.095,
48.15 subdivision 10.

48.16 (e) The commissioner may issue a determination on an issue of ineligibility ~~at any~~
48.17 ~~time~~ within 24 months from the establishment of a benefit account based upon information
48.18 from any source, even if the issue of ineligibility was not raised by the applicant or an
48.19 employer. ~~This paragraph does not prevent the imposition of a penalty on~~

48.20 If an applicant obtained unemployment benefits through fraud under section 268.18,
48.21 subdivision 2, or 268.182 a determination of ineligibility may be issued within 48 months
48.22 of the establishment of the benefit account.

48.23 (f) A determination of eligibility or determination of ineligibility is final unless an
48.24 appeal is filed by the applicant or notified employer within 20 calendar days after sending.
48.25 The determination must contain a prominent statement indicating the consequences of not
48.26 appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

48.27 (g) An issue of ineligibility required to be determined under this section includes
48.28 any question regarding the denial or allowing of unemployment benefits under this chapter
48.29 except for issues under section 268.07. An issue of ineligibility for purposes of this section
48.30 includes any question of effect on an employer under section 268.047.

48.31 ~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant,~~
48.32 ~~the employer will be (1) sent a copy of the determination of eligibility or a determination~~
48.33 ~~of ineligibility, or (2) considered an involved employer for purposes of an appeal under~~
48.34 ~~section 268.105, only if the employer raised the issue of ineligibility.~~

48.35 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
48.36 matters pending a determination.

49.1 Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

49.2 Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false
49.3 statement or representation, who knowingly fails to disclose a material fact, or who makes
49.4 a false statement or representation without a good faith belief as to the correctness of the
49.5 statement or representation, in order to obtain or in an attempt to obtain unemployment
49.6 benefits may be assessed, in addition to any other penalties, an administrative penalty of
49.7 being ineligible for unemployment benefits for 13 to 104 weeks.

49.8 (b) A determination of ineligibility setting out the weeks the applicant is ineligible
49.9 must be sent to the applicant by mail or electronic transmission. A determination of
49.10 ineligibility under this subdivision may be issued within 48 months of the establishment of
49.11 the benefit account upon which the unemployment benefits were obtained or attempted to
49.12 be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination
49.13 is final. Proceedings on the appeal are conducted in accordance with section 268.105.

49.14 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
49.15 matters pending a determination.

49.16 ARTICLE 9

49.17 UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

49.18 Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

49.19 Subd. 12. **Covered employment.** (a) "Covered employment" means the following
49.20 unless excluded as "noncovered employment" under subdivision 20:

49.21 (1) an employee's entire employment during the calendar quarter if:

49.22 (i) the employment during the quarter is performed primarily in Minnesota;

49.23 (ii) the employment during the quarter is not performed primarily in Minnesota or
49.24 any other state but some of the employment is performed in Minnesota and the base
49.25 of operations or the place from which the employment is directed or controlled is in
49.26 Minnesota; or

49.27 (iii) the employment during the quarter is not performed primarily in Minnesota
49.28 or any other state and the base of operations or place from which the employment is
49.29 directed or controlled is not in any state where part of the employment is performed, but
49.30 the employee's residence is in Minnesota;

49.31 (2) an employee's entire employment during the calendar quarter performed within
49.32 the United States or Canada, if:

49.33 (i) the employment is not considered covered employment under the unemployment
49.34 insurance program of any other state, federal law, or the law of Canada; and

50.1 (ii) the place from which the employment is directed or controlled is in Minnesota;

50.2 (3) the employment during the calendar quarter, performed entirely outside of the
50.3 United States and Canada, by an employee who is a United States citizen in the employ of
50.4 an American employer if the employer's principal place of business in the United States is
50.5 located in Minnesota. An "American employer," for the purposes of this clause, means a
50.6 corporation organized under the laws of any state, an individual who is a resident of the
50.7 United States, or a partnership if two-thirds or more of the partners are residents of the
50.8 United States, or a trust, if all of the trustees are residents of the United States; and

50.9 (4) all employment during the calendar quarter performed by an officer or member
50.10 of the crew of an American vessel on or in connection with the vessel, if the operating
50.11 office from which the operations of the vessel operating on navigable waters within, or
50.12 within and without, the United States are ordinarily and regularly supervised, managed,
50.13 directed, and controlled is in Minnesota.

50.14 (b) "Covered employment" includes covered agricultural employment under
50.15 subdivision 11.

50.16 (c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095,
50.17 ~~subdivision 10~~, "covered employment" includes ~~covered~~ employment covered under an
50.18 unemployment insurance program:

50.19 (1) of any other state; or

50.20 (2) established by an act of Congress.

50.21 **EFFECTIVE DATE.** This section is effective July 31, 2016, and applies to all
50.22 matters pending a determination or a decision by an unemployment law judge

50.23 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

50.24 Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including
50.25 commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and
50.26 holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by
50.27 a customer of an employer and accounted for by the employee to the employer; sickness
50.28 and accident disability payments, except as otherwise provided in this subdivision; and
50.29 the cash value of housing, utilities, meals, exchanges of services, and any other goods
50.30 and services provided to compensate an employee, except:

50.31 (1) the amount of any payment made to, or on behalf of, an employee under a plan
50.32 established by an employer that makes provision for employees generally or for a class or
50.33 classes of employees, including any amount paid by an employer for insurance or annuities,
50.34 or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and
50.35 hospitalization expenses in connection with sickness or accident disability, or (iii) death;

51.1 (2) the payment by an employer of the tax imposed upon an employee under United
51.2 States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect
51.3 to compensation paid to an employee for domestic employment in a private household of
51.4 the employer or for agricultural employment;

51.5 (3) any payment made to, or on behalf of, an employee or beneficiary (i) from or
51.6 to a trust described in United States Code, title 26, section 401(a) of the federal Internal
51.7 Revenue Code, that is exempt from tax under section 501(a) at the time of the payment
51.8 unless the payment is made to an employee of the trust as compensation for services as an
51.9 employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at
51.10 the time of the payment, is a plan described in section 403(a);

51.11 (4) the value of any special discount or markdown allowed to an employee on goods
51.12 purchased from or services supplied by the employer where the purchases are optional and
51.13 do not constitute regular or systematic payment for services;

51.14 (5) customary and reasonable directors' fees paid to individuals who are not
51.15 otherwise employed by the corporation of which they are directors;

51.16 (6) the payment to employees for reimbursement of meal expenses when employees
51.17 are required to perform work after their regular hours;

51.18 (7) the payment into a trust or plan for purposes of providing legal or dental services
51.19 if provided for all employees generally or for a class or classes of employees;

51.20 (8) the value of parking facilities provided or paid for by an employer, in whole or in
51.21 part, if provided for all employees generally or for a class or classes of employees;

51.22 (9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral,
51.23 or other right;

51.24 (10) advances or reimbursements for traveling or other bona fide ordinary and
51.25 necessary expenses incurred or reasonably expected to be incurred in the business of the
51.26 employer. Traveling and other reimbursed expenses must be identified either by making
51.27 separate payments or by specifically indicating the separate amounts where both wages
51.28 and expense allowances are combined in a single payment;

51.29 (11) residual payments to radio, television, and similar artists that accrue after
51.30 the production of television commercials, musical jingles, spot announcements, radio
51.31 transcriptions, film sound tracks, and similar activities;

51.32 (12) the income to a former employee resulting from the exercise of a nonqualified
51.33 stock option;

51.34 (13) ~~payments made to supplement~~ supplemental unemployment ~~benefits~~ benefit
51.35 payments under a plan established by an employer, ~~that makes provisions for employees~~
51.36 ~~generally or for a class or classes of employees under the written terms of an agreement,~~

52.1 ~~contract, trust arrangement, or other instrument~~ if the payment is not wages under the
52.2 Federal Unemployment Tax Act. ~~The plan must provide supplemental payments are~~
52.3 wages unless made solely for the supplementing of weekly state or federal unemployment
52.4 benefits. ~~The plan must provide supplemental payments only for those weeks the applicant~~
52.5 ~~has been paid regular, extended, or additional unemployment benefits. The supplemental~~
52.6 ~~payments, when combined with the applicant's weekly unemployment benefits paid, may~~
52.7 ~~not exceed the applicant's regular weekly pay. The plan must not allow the assignment~~
52.8 ~~of Supplemental unemployment benefit payments or provide for any type of additional~~
52.9 ~~payment. The plan must not require~~ may not be assigned, nor may any consideration be
52.10 required from the applicant, other than a release of claims, ~~and must not be designed for~~
52.11 ~~the purpose of avoiding the payment of Social Security obligations, or unemployment~~
52.12 ~~taxes on money disbursed from the plan~~ in order to be excluded from wages;

52.13 (14) sickness or accident disability payments made by the employer after the
52.14 expiration of six calendar months following the last calendar month that the individual
52.15 worked for the employer;

52.16 (15) disability payments made under the provisions of any workers' compensation
52.17 law;

52.18 (16) sickness or accident disability payments made by a third-party payer such as
52.19 an insurance company; or

52.20 (17) payments made into a trust fund, or for the purchase of insurance or an annuity,
52.21 to provide for sickness or accident disability payments to employees under a plan or
52.22 system established by the employer that provides for the employer's employees generally
52.23 or for a class or classes of employees.

52.24 (b) Nothing in this subdivision excludes from the term "wages" any payment
52.25 made under any type of salary reduction agreement, including payments made under a
52.26 cash or deferred arrangement and cafeteria plan, as defined in United States Code, title
52.27 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the
52.28 employee has the option to receive the payment in cash.

52.29 (c) Wages includes the total payment to the operator and supplier of a vehicle or
52.30 other equipment where the payment combines compensation for personal services as well
52.31 as compensation for the cost of operating and hiring the equipment in a single payment.
52.32 This paragraph does not apply if:

52.33 (1) there is a preexisting written agreement providing for allocation of specific
52.34 amounts; or

52.35 (2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment
52.36 indicating the separate allocated amounts.

53.1 (d) Wages includes payments made for services as a caretaker. Unless there is a
53.2 contract or other proof to the contrary, compensation is considered as being equally
53.3 received by a married couple where the employer makes payment to only one spouse, or
53.4 by all tenants of a household who perform services where two or more individuals share
53.5 the same dwelling and the employer makes payment to only one individual.

53.6 (e) Wages includes payments made for services by a migrant family. Where services
53.7 are performed by a married couple or a family and an employer makes payment to only
53.8 one individual, each worker is considered as having received an equal share of the
53.9 compensation unless there is a contract or other proof to the contrary.

53.10 (f) Wages includes advances or draws against future earnings, when paid, unless
53.11 the payments are designated as a loan or return of capital on the books of the employer
53.12 at the time of payment.

53.13 (g) Wages includes payments made by a subchapter "S" corporation, as organized
53.14 under the Internal Revenue Code, to or on behalf of officers and shareholders that are
53.15 reasonable compensation for services performed for the corporation.

53.16 For a subchapter "S" corporation, wages does not include:

53.17 (1) a loan for business purposes to an officer or shareholder evidenced by a
53.18 promissory note signed by an officer before the payment of the loan proceeds and recorded
53.19 on the books and records of the corporation as a loan to an officer or shareholder;

53.20 (2) a repayment of a loan or payment of interest on a loan made by an officer to the
53.21 corporation and recorded on the books and records of the corporation as a liability;

53.22 (3) a reimbursement of reasonable corporation expenses incurred by an officer and
53.23 documented by a written expense voucher and recorded on the books and records of
53.24 the corporation as corporate expenses; and

53.25 (4) a reasonable lease or rental payment to an officer who owns property that is
53.26 leased or rented to the corporation.

53.27 Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is
53.28 amended to read:

53.29 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
53.30 any week:

53.31 (1) that occurs before the effective date of a benefit account;

53.32 (2) that the applicant, at ~~the beginning of any time during~~ the week, has an
53.33 outstanding fraud overpayment balance under section 268.18, subdivision 2, including
53.34 any penalties and interest;

54.1 (3) that occurs in a period when the applicant is a student in attendance at, or on
54.2 vacation from a secondary school including the period between academic years or terms;

54.3 (4) that the applicant is incarcerated or performing court-ordered community service.
54.4 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
54.5 the applicant is incarcerated or performing court-ordered community service;

54.6 (5) that the applicant fails or refuses to provide information on an issue of
54.7 ineligibility required under section 268.101;

54.8 (6) that the applicant is performing services 32 hours or more, in employment,
54.9 covered employment, noncovered employment, volunteer work, or self-employment
54.10 regardless of the amount of any earnings; or

54.11 (7) with respect to which the applicant has filed an application for unemployment
54.12 benefits under any federal law or the law of any other state. If the appropriate agency
54.13 finally determines that the applicant is not entitled to establish a benefit account under
54.14 federal law or the law of any other state, this clause does not apply.

54.15 Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

54.16 Subd. 3. **Continued request for unemployment benefits by electronic**
54.17 **transmission.** (a) A continued request for unemployment benefits by electronic
54.18 transmission must be filed to that electronic mail address, telephone number, or Internet
54.19 address prescribed by the commissioner for that applicant. In order to constitute a
54.20 continued request, all information asked for, including information authenticating that the
54.21 applicant is sending the transmission, must be provided in the format required. If all of the
54.22 information asked for is not provided, the communication does not constitute a continued
54.23 request for unemployment benefits.

54.24 (b) The continued request by electronic transmission communication must be filed
54.25 within four calendar weeks following the week for which payment is requested on the
54.26 date day of the week and during the time of day designated for the applicant ~~for filing a~~
54.27 ~~continued request by electronic transmission.~~

54.28 (c) ~~If the electronic transmission continued request is not filed as required under~~
54.29 ~~paragraph (b), a continued request by electronic transmission must be accepted if the~~
54.30 ~~applicant files the continued request by electronic transmission within three calendar~~
54.31 ~~weeks following the week for which payment is requested. If the continued request by~~
54.32 ~~electronic transmission is not filed within three~~ four ~~calendar weeks following the week~~
54.33 ~~for which payment is requested, the electronic continued request will not be accepted~~
54.34 ~~and the applicant is ineligible for unemployment benefits for the period covered by the~~

55.1 continued request, unless the applicant shows good cause for failing to file the continued
55.2 request by electronic transmission within the time period required.

55.3 Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

55.4 Subd. 4. **Continued request for unemployment benefits by mail.** (a) A
55.5 continued request for unemployment benefits by mail must be on a form prescribed by
55.6 the commissioner. The form, in order to constitute a continued request, must be totally
55.7 completed and signed by the applicant. The form must be filed by mail, in an envelope
55.8 with postage prepaid, and sent to the address designated ~~during the week following the~~
55.9 ~~week for which payment is requested.~~

55.10 ~~(b) If the mail continued request for unemployment benefits is not filed as required~~
55.11 ~~under paragraph (a), a continued request must be accepted if the form is filed by mail~~
55.12 ~~within three four calendar weeks following the week for which payment is requested.~~

55.13 (b) If the continued request form is not filed within three four calendar weeks
55.14 following the week for which payment is requested, the form will not be accepted and the
55.15 applicant is ineligible for unemployment benefits for the period covered by the continued
55.16 request for unemployment benefits, unless the applicant shows good cause for failing to
55.17 file the form by mail within the time period required.

55.18 (c) If the applicant has been designated to file a continued request for unemployment
55.19 benefits by mail, an applicant may submit the form by facsimile transmission within
55.20 three four calendar weeks following the week for which payment is requested. A form
55.21 submitted by facsimile transmission must be sent only to the telephone number assigned
55.22 for that purpose.

55.23 (d) An applicant who has been designated to file a continued request by mail may
55.24 personally deliver a continued request form only to the location to which the form was
55.25 otherwise designated to be mailed.

55.26 Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

55.27 Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end
55.28 the employment was, at the time the employment ended, the employee's.

55.29 (b) When determining if an applicant quit, the theory of a constructive quit does
55.30 not apply.

55.31 ~~(b)~~ (c) An employee who has been notified that the employee will be discharged in
55.32 the future, who chooses to end the employment while employment in any capacity is still
55.33 available, ~~is considered to have~~ has quit the employment.

56.1 ~~(e)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting
 56.2 ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the
 56.3 employer does not agree that the notice may be withdrawn.

56.4 ~~(d)~~ (e) An applicant ~~who~~ has quit employment with a staffing service if, within
 56.5 five calendar days after completion of a suitable job assignment from a staffing service,
 56.6 the applicant:

56.7 (1) fails without good cause to affirmatively request an additional suitable job
 56.8 assignment;

56.9 (2) refuses without good cause an additional suitable job assignment offered;

56.10 (3) accepts employment with the client of the staffing service, ~~is considered to have~~
 56.11 ~~quit employment with the staffing service.~~ Accepting employment with the client of the
 56.12 staffing service meets the requirements of the exception to ineligibility under subdivision
 56.13 1, clause (2).

56.14 This paragraph applies only if, at the time of beginning of employment with the
 56.15 staffing service, the applicant signed and was provided a copy of a separate document
 56.16 written in clear and concise language that informed the applicant of this paragraph and
 56.17 that unemployment benefits may be affected.

56.18 For purposes of this paragraph, "good cause" is a reason that ~~is significant and~~ would
 56.19 compel an average, reasonable worker, who would otherwise want an additional suitable
 56.20 job assignment with the staffing service (1) to fail to contact the staffing service, or (2)
 56.21 to refuse an offered assignment.

56.22 Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

56.23 Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any
 56.24 words or actions by an employer would lead a reasonable employee to believe that the
 56.25 employer will no longer allow the employee to work for the employer in any capacity. A
 56.26 layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment
 56.27 without pay of more than 30 calendar days is ~~considered~~ a discharge.

56.28 (b) When determining if an applicant was discharged, the theory of a constructive
 56.29 discharge does not apply.

56.30 ~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not
 56.31 allowed by the employer to work the entire notice period is ~~considered~~ discharged from
 56.32 the employment as of the date the employer will no longer allow the employee to work. If
 56.33 the discharge occurs within 30 calendar days before the intended date of quitting, then,
 56.34 as of the intended date of quitting, the separation from employment is ~~considered~~ a quit
 56.35 from employment subject to subdivision 1.

57.1 ~~(e)~~ (d) The end of a job assignment with the client of a staffing service is considered
 57.2 a discharge from employment with the staffing service unless subdivision 2, paragraph
 57.3 (d), applies.

57.4 Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

57.5 **268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.**

57.6 Subdivision 1. **Nonfraud Repaying an overpayment.** (a) Any applicant who (1)
 57.7 because of a determination or amended determination issued under section 268.07 or
 57.8 268.101, or any other section of this chapter, or (2) because of an unemployment law
 57.9 judge's decision under section 268.105, has received any unemployment benefits that the
 57.10 applicant was held not entitled to, is overpaid the benefits, and must promptly repay the
 57.11 unemployment benefits to the trust fund.

57.12 (b) If the applicant fails to repay the unemployment benefits overpaid, ~~the~~
 57.13 ~~commissioner may offset from any future unemployment benefits otherwise payable the~~
 57.14 ~~amount of the overpayment. Except when the overpayment resulted because the applicant~~
 57.15 ~~failed to report deductible earnings or deductible or benefit delaying payments, no single~~
 57.16 ~~offset may exceed 50 percent of the amount of the payment from which the offset is made.~~
 57.17 ~~The overpayment may also~~ including any penalty and interest assessed under subdivisions
 57.18 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

57.19 ~~(c) If an applicant has been overpaid unemployment benefits under the law of~~
 57.20 ~~another state, because of a reason other than fraud, and that state certifies that the applicant~~
 57.21 ~~is liable under its law to repay the unemployment benefits and requests the commissioner~~
 57.22 ~~to recover the overpayment, the commissioner may offset from future unemployment~~
 57.23 ~~benefits otherwise payable the amount of overpayment, except that no single offset may~~
 57.24 ~~exceed 50 percent of the amount of the payment from which the offset is made.~~

57.25 Subd. 2. **Overpayment because of fraud.** (a) ~~Any~~ An applicant who receives has
 57.26 committed fraud if the applicant is overpaid unemployment benefits by:

57.27 (1) knowingly misrepresenting, misstating, or failing to disclose any material fact;
 57.28 or who makes

57.29 (2) making a false statement or representation without a good faith belief as to the
 57.30 correctness of the statement or representation, ~~has committed fraud.~~

57.31 After the discovery of facts indicating fraud, the commissioner must make issue a
 57.32 determination ~~that the applicant obtained unemployment benefits by fraud and that the~~
 57.33 ~~applicant must promptly repay the unemployment benefits to the trust fund. In addition, the~~
 57.34 ~~commissioner must assess~~ of overpayment penalty, assessing a penalty equal to 40 percent

58.1 of the amount ~~fraudulently obtained~~ overpaid. This penalty is in addition to penalties under
58.2 section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

58.3 (b) Unless the applicant files an appeal within 20 calendar days after the sending of
58.4 ~~the~~ a determination of overpayment by fraud penalty to the applicant by mail or electronic
58.5 transmission, the determination is final. Proceedings on the appeal are conducted in
58.6 accordance with section 268.105.

58.7 (c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest~~
58.8 ~~assessed, the total due may be collected by the methods allowed under state and federal~~
58.9 ~~law.~~ A determination of overpayment by fraud penalty must state the methods of collection
58.10 the commissioner may use to recover the overpayment, penalty, and interest assessed.
58.11 Money received in repayment of ~~fraudulently obtained~~ overpaid unemployment benefits,
58.12 penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the
58.13 penalty amount due, then to any interest due. 62.5 percent of the payments made toward the
58.14 penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

58.15 (d) ~~If an applicant has been overpaid unemployment benefits under the law of~~
58.16 ~~another state because of fraud and that state certifies that the applicant is liable to repay~~
58.17 ~~the unemployment benefits and requests the commissioner to recover the overpayment,~~
58.18 ~~the commissioner may offset from future unemployment benefits otherwise payable the~~
58.19 ~~amount of overpayment.~~

58.20 (e) ~~Regardless of the limitations in section 268.101, subdivision 2, paragraph (e),~~
58.21 ~~unemployment benefits paid for weeks more than four years before the date of (d) A~~
58.22 ~~determination of overpayment by fraud issued penalty under this subdivision are not~~
58.23 ~~considered overpaid unemployment benefits~~ may be issued within 48 months of the
58.24 establishment of the benefit account upon which the unemployment benefits were obtained
58.25 though fraud.

58.26 Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any
58.27 penalty amounts assessed under subdivision 2, the commissioner must assess interest at the
58.28 rate of one percent per month on any amount that remains unpaid beginning 30 calendar
58.29 days after the date of ~~the~~ a determination of overpayment by fraud penalty. A determination
58.30 of overpayment by ~~fraud~~ penalty must state that interest will be assessed. Interest is
58.31 assessed in the same manner as on employer debt under section 268.057, subdivision 5.
58.32 Interest payments collected under this subdivision are credited to the trust fund.

58.33 Subd. 3a. **Offset of federal unemployment benefits.** ~~The commissioner is~~
58.34 ~~authorized to enter into reciprocal agreements with the United States Secretary of Labor,~~
58.35 ~~whereby,~~ (a) The commissioner may offset from any future unemployment benefits
58.36 otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud

59.1 overpayment resulted because the applicant failed to report deductible earnings or
 59.2 deductible or benefit delaying payments, no single offset may exceed 50 percent of the
 59.3 amount of the payment from which the offset is made.

59.4 (b) Overpayments of unemployment benefits as determined under a federal law,
 59.5 program may be recovered by offset from unemployment future benefits otherwise
 59.6 payable and.

59.7 (c) If an applicant has been overpaid unemployment benefits under the law of
 59.8 another state, the commissioner may offset from future benefits otherwise payable the
 59.9 amount of overpayment.

59.10 (d) Nonfraud unemployment benefit overpayments under subdivisions 1 and 2
 59.11 may be recovered by offset from unemployment future benefits otherwise payable under
 59.12 a federal program.

59.13 Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits overpaid
 59.14 under subdivision 1 for reasons other than fraud are not repaid or offset from subsequent
 59.15 unemployment benefits as provided for in subdivision 1 within six years after the date
 59.16 of the determination or decision holding the applicant overpaid, the commissioner must
 59.17 cancel the overpayment balance, and no administrative or legal proceedings may be used
 59.18 to enforce collection of those amounts.

59.19 (b) If unemployment benefits determined overpaid under subdivision 2 because of
 59.20 fraud including penalties and interest are not repaid within ten years after the date of
 59.21 the determination of overpayment by fraud penalty, the commissioner must cancel the
 59.22 overpayment balance and any penalties and interest due, and no administrative or legal
 59.23 proceeding may be used to enforce collection of those amounts.

59.24 (c) The commissioner may cancel at any time any overpayment, including penalties
 59.25 and interest, that the commissioner determines is uncollectible because of death or
 59.26 bankruptcy.

59.27 Subd. 4a. **Court fees; collection fees.** (a) If the commissioner department
 59.28 is required to pay any court fees in an attempt to enforce collection of overpaid
 59.29 unemployment benefits, penalties, or interest, the commissioner may add the amount of
 59.30 the court fees may be added to the total amount due.

59.31 (b) If an applicant who has been determined overpaid unemployment benefits
 59.32 because of fraud seeks to have any portion of the debt discharged under the federal
 59.33 bankruptcy code, and the commissioner department files an objection in bankruptcy court
 59.34 to the discharge, the commissioner may add the commissioner's cost of any court fees may
 59.35 be added to the debt if the bankruptcy court does not discharge the debt.

60.1 (c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for
60.2 offsetting from a federal tax refund the amount of any overpayment, including penalties
60.3 and interest, the amount of the fee may be added to the total amount due. The offset
60.4 amount must be put in the trust fund and that amount credited to the total amount due
60.5 from the applicant.

60.6 Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of
60.7 unemployment benefits, including any penalties and interest, is not considered an election
60.8 of a method of recovery.

60.9 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation
60.10 matter under section 176.361 is not considered an election of a remedy and does not
60.11 prevent the commissioner from determining any unemployment benefits overpaid under
60.12 subdivision 1 or 2 or taking action under section 268.182.

60.13 Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise
60.14 the amount ~~that has been determined of any overpaid under this section~~ unemployment
60.15 benefits including penalties and interest.

60.16 (b) The commissioner has discretion regarding the recovery of any overpayment
60.17 ~~under subdivision 4 for reasons other than fraud.~~ Regardless of any law to the contrary, the
60.18 commissioner is not required to refer any ~~amount determined overpaid under subdivision~~
60.19 ~~4 overpayment for reasons other than fraud~~ to a public or private collection agency,
60.20 including agencies of this state.

60.21 (c) Amounts ~~determined overpaid under subdivision 4 for reasons other than fraud~~
60.22 are not considered a "debt" to the state of Minnesota for purposes of any reporting
60.23 requirements to the commissioner of management and budget.

60.24 (d) A pending appeal under section 268.105 does not suspend the assessment of
60.25 interest, penalties, or collection of an overpayment ~~under this section.~~

60.26 (e) Section 16A.626 applies to the repayment by an applicant of any overpayment,
60.27 penalty, or interest ~~under this section.~~

60.28 Sec. 9. **EFFECTIVE DATE.**

60.29 This article is effective July 31, 2016, unless indicated otherwise.

60.30 **ARTICLE 10**

60.31 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL**

60.32 Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a
60.33 subdivision to read:

61.1 Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has
 61.2 a legal claim and is earned income under state and federal law for income tax purposes.

61.3 Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

61.4 Subd. 20. **Noncovered employment.** "Noncovered employment" means:

61.5 (1) employment for the United States government or an instrumentality thereof,
 61.6 including military service;

61.7 (2) employment for a state, other than Minnesota, or a political subdivision or
 61.8 instrumentality thereof;

61.9 (3) employment for a foreign government;

61.10 ~~(4) employment for an instrumentality wholly owned by a foreign government,~~
 61.11 ~~if the employment is of a character similar to that performed in foreign countries by~~
 61.12 ~~employees of the United States government or an instrumentality thereof and the United~~
 61.13 ~~States Secretary of State has certified that the foreign government grants an equivalent~~
 61.14 ~~exemption to similar employment performed in the foreign country by employees of the~~
 61.15 ~~United States government and instrumentalities thereof;~~

61.16 ~~(5) (4) employment covered under United States Code, title 45, section 351, the~~
 61.17 ~~federal Railroad Unemployment Insurance Act;~~

61.18 ~~(6) employment covered by a reciprocal arrangement between the commissioner and~~
 61.19 ~~another state or the federal government that provides that all employment performed by an~~
 61.20 ~~individual for an employer during the period covered by the reciprocal arrangement is~~
 61.21 ~~considered performed entirely within another state;~~

61.22 ~~(7) (5) employment for a church or convention or association of churches, or an~~
 61.23 ~~nonprofit organization operated primarily for religious purposes that is operated,~~
 61.24 ~~supervised, controlled, or principally supported by a church or convention or association~~
 61.25 ~~of churches described in United States Code, title 26, section 501(e)(3) of the federal~~
 61.26 ~~Internal Revenue Code and exempt from income tax under section 501(a);~~

61.27 ~~(8) (6) employment for Minnesota or a political subdivision, or a nonprofit~~
 61.28 ~~organization, of a duly ordained or licensed minister of a church in the exercise of a~~
 61.29 ~~ministry or by a member of a religious order in the exercise of duties required by the order;~~
 61.30 ~~for Minnesota or a political subdivision or an organization described in United States~~
 61.31 ~~Code, title 26, section 501(e)(3) of the federal Internal Revenue Code and exempt from~~
 61.32 ~~income tax under section 501(a);~~

61.33 ~~(9) (7) employment for Minnesota or a political subdivision, or a nonprofit~~
 61.34 ~~organization, of an individual receiving rehabilitation of "sheltered" work in a facility~~
 61.35 ~~conducted for the purpose of carrying out a program of rehabilitation for individuals~~

62.1 whose earning capacity is impaired by age or physical or mental deficiency or injury or a
62.2 program providing "sheltered" work for individuals who because of an impaired physical
62.3 or mental capacity cannot be readily absorbed in the competitive labor market. This
62.4 clause applies only to services performed ~~for Minnesota or a political subdivision or an~~
62.5 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
62.6 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility
62.7 certified by the Rehabilitation Services Branch of the department or in a day training or
62.8 habilitation program licensed by the Department of Human Services;

62.9 ~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit
62.10 organization, of an individual receiving work relief or work training as part of an
62.11 unemployment work relief or work training program assisted or financed in whole or
62.12 in part by any federal agency or an agency of a state or political subdivision thereof.
62.13 ~~This clause applies only to employment for Minnesota or a political subdivision or an~~
62.14 ~~organization described in United States Code, title 26, section 501(e)(3) of the federal~~
62.15 ~~Internal Revenue Code and exempt from income tax under section 501(a)~~. This clause does
62.16 not apply to programs that require unemployment benefit coverage for the participants;

62.17 ~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a
62.18 member of a legislative body, or a member of the judiciary;

62.19 ~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National
62.20 Guard;

62.21 ~~(13)~~ (11) employment for Minnesota, ~~or a political subdivision, or instrumentality~~
62.22 ~~thereof, as an employee of an individual serving only~~ on a temporary basis in case of
62.23 fire, flood, tornado, or similar emergency;

62.24 ~~(14)~~ (12) employment as an election official or election worker for Minnesota or
62.25 a political subdivision, ~~but only~~ if the compensation for that employment was less than
62.26 \$1,000 in a calendar year;

62.27 ~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory
62.28 position in the unclassified service;

62.29 ~~(16)~~ (14) employment for Minnesota in an unclassified position established under
62.30 section 43A.08, subdivision 1a;

62.31 ~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured
62.32 major policy making or advisory position;

62.33 ~~(18)~~ (16) domestic employment in a private household, local college club, or local
62.34 chapter of a college fraternity or sorority ~~performed for a person, only~~, if the wages paid
62.35 in any calendar quarter in either the current or prior calendar year to all individuals in
62.36 domestic employment totaled less than \$1,000.

63.1 "Domestic employment" includes all service in the operation and maintenance of a
63.2 private household, for a local college club, or local chapter of a college fraternity or
63.3 sorority as distinguished from service as an employee in the pursuit of an employer's
63.4 trade or business;

63.5 ~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and
63.6 employment of a child under the age of 18 by the child's father or mother;

63.7 ~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

63.8 ~~(21)~~ (19) employment for a school, college, or university, by a student who is
63.9 enrolled and whose primary relation to the school, college, or university is as a student.

63.10 This does not include an individual whose primary relation to the school, college, or
63.11 university is as an employee who also takes courses;

63.12 ~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time
63.13 program at a nonprofit or public educational institution that maintains a regular faculty
63.14 and curriculum and has a regularly organized body of students in attendance at the place
63.15 where its educational activities are carried on, taken for credit at the institution, that
63.16 combines academic instruction with work experience, if the employment is an integral
63.17 part of the program, and the institution has so certified to the employer, except that this
63.18 clause does not apply to employment in a program established for or on behalf of an
63.19 employer or group of employers;

63.20 ~~(23)~~ (21) employment of university, college, or professional school students in an
63.21 internship or other training program with the city of St. Paul or the city of Minneapolis
63.22 under Laws 1990, chapter 570, article 6, section 3;

63.23 ~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means
63.24 an institution that has been licensed by the Department of Health as a hospital;

63.25 ~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by
63.26 an individual who is enrolled and is regularly attending classes in an accredited nurses'
63.27 training school;

63.28 ~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed
63.29 a four-year course in an accredited medical school;

63.30 ~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate
63.31 officer, if all the wages from the employment is solely by way of commission. The word
63.32 "insurance" includes an annuity and an optional annuity;

63.33 ~~(28)~~ (26) employment as an officer of a township mutual insurance company or
63.34 farmer's mutual insurance company operating under chapter 67A;

63.35 ~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly,
63.36 including through a subsidiary or holding company, owns 25 percent or more of the

64.1 employer corporation, and employment of a member of a limited liability company, if the
 64.2 member directly or indirectly, including through a subsidiary or holding company, owns
 64.3 25 percent or more of the employer limited liability company;

64.4 ~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer,
 64.5 if all the wages from the employment is solely by way of commission;

64.6 ~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26,
 64.7 section 3508;

64.8 ~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or
 64.9 distribution of newspapers or shopping news, not including delivery or distribution to any
 64.10 point for subsequent delivery or distribution;

64.11 ~~(33)~~ (31) casual employment performed for an individual, other than domestic
 64.12 employment under clause ~~(18)~~ (16), that does not promote or advance that employer's
 64.13 trade or business;

64.14 ~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered
 64.15 agricultural employment" under subdivision 11; or

64.16 ~~(35)~~ (33) if employment during one-half or more of any pay period was covered
 64.17 employment, all the employment for the pay period is ~~considered~~ covered employment;
 64.18 but if during more than one-half of any pay period the employment was noncovered
 64.19 employment, then all of the employment for the pay period is ~~considered~~ noncovered
 64.20 employment. "Pay period" means a period of not more than a calendar month for which a
 64.21 payment or compensation is ordinarily made to the employee by the employer.

64.22 Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision
 64.23 to read:

64.24 Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an
 64.25 organization described in United States Code, title 26, section 501(c)(3), and is exempt
 64.26 from income tax under United States Code, title 26, section 501(a).

64.27 Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

64.28 Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in
 64.29 the applicant's labor market area that is reasonably related to the applicant's qualifications.
 64.30 In determining whether any employment is suitable for an applicant, the degree of risk
 64.31 involved to the health and safety, physical fitness, prior training, experience, length
 64.32 of unemployment, prospects for securing employment in the applicant's customary
 64.33 occupation, and the distance of the employment from the applicant's residence is
 64.34 considered.

65.1 (b) In determining what is suitable employment, primary consideration is given to the
65.2 temporary or permanent nature of the applicant's separation from employment and whether
65.3 the applicant has favorable prospects of finding employment in the applicant's usual or
65.4 customary occupation at the applicant's past wage level within a reasonable period of time.

65.5 If prospects are unfavorable, employment at lower skill or wage levels is suitable
65.6 if the applicant is reasonably suited for the employment considering the applicant's
65.7 education, training, work experience, and current physical and mental ability.

65.8 The total compensation must be considered, including the wage rate, hours of
65.9 employment, method of payment, overtime practices, bonuses, incentive payments, and
65.10 fringe benefits.

65.11 (c) When potential employment is at a rate of pay lower than the applicant's former
65.12 rate, consideration must be given to the length of the applicant's unemployment and the
65.13 proportion of difference in the rates. Employment that may not be suitable because of
65.14 lower wages during the early weeks of the applicant's unemployment may become suitable
65.15 as the duration of unemployment lengthens.

65.16 (d) For an applicant seasonally unemployed, suitable employment includes
65.17 temporary work in a lower skilled occupation that pays average gross weekly wages equal
65.18 to or more than 150 percent of the applicant's weekly unemployment benefit amount.

65.19 (e) If a majority of the applicant's weeks of employment in the base period includes
65.20 part-time employment, part-time employment in a position with comparable skills and
65.21 comparable hours that pays comparable wages is ~~considered~~ suitable employment.

65.22 Full-time employment is not ~~considered~~ suitable employment for an applicant if a
65.23 majority of the applicant's weeks of employment in the base period includes part-time
65.24 employment.

65.25 (f) To determine suitability of employment in terms of shifts, the arrangement of
65.26 hours in addition to the total number of hours is to be considered. Employment on a
65.27 second, third, rotating, or split shift is suitable employment if it is customary in the
65.28 occupation in the labor market area.

65.29 (g) Employment is not ~~considered~~ suitable if:

65.30 (1) the position offered is vacant because of a labor dispute;

65.31 (2) the wages, hours, or other conditions of employment are ~~substantially~~ less
65.32 favorable than those prevailing for similar employment in the labor market area; or

65.33 (3) as a condition of becoming employed, the applicant would be required to join a
65.34 company union or to resign from or refrain from joining any bona fide labor organization; ~~or~~

65.35 ~~(4) the employment is with a staffing service and less than 25 percent of the~~
65.36 ~~applicant's wage credits are from a job assignment with the client of a staffing service.~~

66.1 (h) A job assignment with a staffing service is ~~considered~~ suitable only if 25
66.2 percent or more of the applicant's wage credits are from job assignments with clients of
66.3 a staffing service and the job assignment meets the definition of suitable employment
66.4 under paragraph (a).

66.5 Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

66.6 Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or
66.7 over is required to state when filing an application for unemployment benefits and when
66.8 filing continued requests for unemployment benefits if the applicant is receiving, has filed
66.9 for, or intends to file for, primary Social Security old age benefits.

66.10 (b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the
66.11 primary Social Security old age benefit the applicant has received, has filed for, or
66.12 intends to file for, with respect to that week must be deducted from an applicant's weekly
66.13 unemployment benefit amount.

66.14 ~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was
66.15 claiming Social Security old age benefits, there is no deduction of the Social Security
66.16 benefits from the applicant's weekly unemployment benefit amount.

66.17 ~~(e)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive,
66.18 absent specific evidence showing that the information was erroneous.

66.19 ~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

66.20 Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

66.21 Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday
66.22 pay, with respect to any week, from employment, covered employment, noncovered
66.23 employment, self-employment, or volunteer work, equal to or in excess of the applicant's
66.24 weekly unemployment benefit amount, the applicant is ineligible for unemployment
66.25 benefits for that week.

66.26 (b) If the applicant has earnings, including holiday pay, with respect to any week,
66.27 that is less than the applicant's weekly unemployment benefit amount, from employment,
66.28 covered employment, noncovered employment, self-employment, or volunteer work, 50
66.29 percent of the earnings are deducted from the weekly unemployment benefit amount.

66.30 (c) No deduction is made from an applicant's weekly unemployment benefit amount
66.31 for earnings from service in the National Guard or a United States military reserve unit or
66.32 from direct service as a volunteer firefighter or volunteer ambulance service personnel.
66.33 This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided

67.1 to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made
67.2 for jury duty pay or for pay as an election judge.

67.3 (d) The applicant may report deductible earnings on continued requests for
67.4 unemployment benefits at the next lower whole dollar amount.

67.5 (e) Deductible earnings does not include any money ~~considered that is~~ a deductible
67.6 payment under subdivision 3, ~~but includes all compensation considered wages under~~
67.7 ~~section 268.035, subdivision 29, and any other compensation considered earned income~~
67.8 ~~under state and federal law for income tax purposes.~~

67.9 **Sec. 7. REVISOR'S INSTRUCTION.**

67.10 (a) The revisor of statutes shall change "liability" to "liability for damages" in
67.11 Minnesota Rules, part 3315.0555, subpart 1.

67.12 (b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota
67.13 Statutes, section 268.085, subdivision 1, clause (6).

67.14 (c) The revisor of statutes shall change "shall calculate" to "must calculate" in
67.15 Minnesota Statutes, section 268.035, subdivision 23.

67.16 (d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035,
67.17 subdivision 12d, to subdivision 12f.

67.18 (e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section
67.19 268.085, subdivision 4, as follows:

67.20 (1) paragraph (a) shall be relettered paragraph (c); and

67.21 (2) paragraph (c) shall be relettered paragraph (a).

67.22 (f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause
67.23 (27)" in Minnesota Statutes, section 268.046, subdivision 1.

67.24 (g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause
67.25 (8)" in Minnesota Statutes, section 383C.19.

67.26 **Sec. 8. EFFECTIVE DATE.**

67.27 This article is effective July 31, 2016, and applies to all matters pending a
67.28 determination or a decision by an unemployment law judge.

67.29 **ARTICLE 11**

67.30 **TELEPHONE REGULATION**

67.31 Section 1. Minnesota Statutes 2014, section 237.01, is amended by adding a
67.32 subdivision to read:

68.1 Subd. 9. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol
68.2 service" or "VoIP service" means any service that (1) enables real-time two-way voice
68.3 communications that originate from or terminate at the user's location in Internet protocol
68.4 or any successor protocol, and (2) permits users generally to receive calls that originate
68.5 on the public switched telephone network and terminate calls to the public switched
68.6 telephone network.

68.7 Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision
68.8 to read:

68.9 Subd. 10. **Internet protocol-enabled service.** "Internet protocol-enabled service"
68.10 or "IP-enabled service" means any service, capability, functionality, or application
68.11 provided using Internet protocol, or any successor protocol, that enables an end user to
68.12 send or receive a communication in Internet protocol format or any successor format,
68.13 regardless of whether that communication is voice, data, or video.

68.14 Sec. 3. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND**
68.15 **INTERNET PROTOCOL-ENABLED SERVICE.**

68.16 Subdivision 1. **Regulation prohibited.** Except as provided in this section, no
68.17 state agency, including the commission and the Department of Commerce, or political
68.18 subdivision of this state shall by rule, order, or other means directly or indirectly regulate
68.19 the entry, rates, terms, quality of service, availability, classification, or any other aspect of
68.20 VoIP service or IP-enabled service.

68.21 Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service
68.22 is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard
68.23 to the collection and remittance of the surcharges governed by those sections.

68.24 (b) A provider of VoIP service must comply with the requirements of chapter 403
68.25 applicable to the provision of access to 911 service by service providers, except to the
68.26 extent those requirements conflict with federal requirements for the provision of 911
68.27 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP
68.28 provider is entitled to the benefit of the limitation of liability provisions of section 403.07,
68.29 subdivision 5. Beginning June 1, 2016, and continuing each June 1 thereafter, each VoIP
68.30 provider shall file a plan with the commission describing how it will comply with the
68.31 requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider
68.32 shall file with the commission either an update of the plan or a statement certifying that
68.33 the plan and personnel contact information previously filed is still current.

69.1 Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands,
 69.2 or otherwise affects or modifies:

69.3 (1) the commission's authority under the Federal Communications Act of 1934,
 69.4 United States Code, title 47, sections 251 and 252;

69.5 (2) any applicable wholesale tariff or any commission authority related to wholesale
 69.6 services;

69.7 (3) any commission jurisdiction over (i) intrastate switched access rates, terms,
 69.8 and conditions, including the implementation of federal law with respect to intercarrier
 69.9 compensation, or (ii) existing commission authority to address or affect the resolution of
 69.10 disputes regarding intercarrier compensation;

69.11 (4) the rights of any entity, or the authority of the commission and local government
 69.12 authorities, with respect to the use and regulation of public rights-of-way under sections
 69.13 237.162 and 237.163; or

69.14 (5) the establishment or enforcement of standards, requirements or procedures in
 69.15 procurement policies, internal operational policies, or work rules of any state agency or
 69.16 political subdivision of the state relating to the protection of intellectual property.

69.17 Subd. 4. **Exemption.** The following services delivered by IP-enabled service are
 69.18 not regulated under this chapter:

69.19 (1) video services provided by a cable communications system, as defined in section
 69.20 238.02, subdivision 3; or

69.21 (2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

69.22 (3) any other IP-enabled video service.

69.23 **ARTICLE 12**

69.24 **BROADBAND DEVELOPMENT**

69.25 Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

69.26 **116J.394 DEFINITIONS.**

69.27 (a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms
 69.28 have the meanings given them.

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

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

70.1 (d) "Commissioner" means the commissioner of employment and economic
70.2 development.

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

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

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

70.10 (h) "Underserved areas" means areas of Minnesota in which households or
70.11 businesses lack access to wire-line broadband service at speeds ~~that meet the state~~
70.12 ~~broadband goals of~~ greater than ten to 20 megabits per second download and five to ten
70.13 three megabits per second upload but less than 25 megabits per second download and
70.14 three megabits per second upload.

70.15 (i) "Unserved areas" means areas of Minnesota in which households or businesses
70.16 lack access to wire-line broadband service, ~~as defined in section 116J.39~~ at speeds equal to
70.17 or greater than ten megabits per second download and three megabits per second upload.

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

70.19 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

70.20 Subd. 4. **Application process.** (a) An eligible applicant must submit an application
70.21 to the commissioner on a form prescribed by the commissioner. The commissioner shall
70.22 develop administrative procedures governing the application and grant award process.
70.23 The commissioner shall act as fiscal agent for the grant program and shall be responsible
70.24 for receiving and reviewing grant applications and awarding grants under this section.

70.25 (b) At least 30 days prior to the first day applications may be submitted each fiscal
70.26 year, the commissioner must publish the specific criteria and any quantitative weighting
70.27 scheme or scoring system the commissioner will use to evaluate or rank applications and
70.28 award grants under subdivision 6 on the department's Web site.

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

70.30 Sec. 3. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
70.31 to read:

70.32 Subd. 5a. **Incumbent right of first refusal.** (a) An applicant shall submit a copy of
70.33 the application to all incumbent broadband service providers operating in the geographic

71.1 area in which the proposed project is to be located at the same time the application is
 71.2 submitted to the commissioner.

71.3 (b) The commissioner may not continue to process or consider an application for a
 71.4 grant award if the commissioner receives notice in writing from an incumbent broadband
 71.5 service provider of the service provider's intention and commitment to begin construction,
 71.6 within 12 months of the date on which grant awards are to be made under this section, and
 71.7 to complete construction within 24 months of that date, of a project to extend or upgrade
 71.8 broadband service to speeds equal to or greater than the state broadband speed goal
 71.9 contained in section 237.012, subdivision 1, throughout the area in which the proposed
 71.10 project that is the subject of the application is to be located.

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

71.12 Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

71.13 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants,
 71.14 the commissioner shall give priority to applications that: (1) are constructed in areas
 71.15 identified by the director of the Office of Broadband Development as unserved; and (2) the
 71.16 commissioner determines will result in the creation or retention of jobs in underserved
 71.17 areas located in counties that are not metropolitan counties, as defined in section 473.121,
 71.18 subdivision 4.

71.19 (b) In evaluating applications and awarding grants, the commissioner may give
 71.20 priority to applications that:

71.21 (1) are constructed in areas identified by the director of the Office of Broadband
 71.22 Development as underserved;

71.23 (2) offer new or substantially upgraded broadband service to important community
 71.24 institutions including, but not limited to, libraries, educational institutions, public safety
 71.25 facilities, and healthcare facilities;

71.26 (3) facilitate the use of telemedicine and electronic health records;

71.27 (4) serve economically distressed areas of the state, as measured by indices of
 71.28 unemployment, poverty, or population loss that are significantly greater than the statewide
 71.29 average;

71.30 (5) provide technical support and train residents, businesses, and institutions in the
 71.31 community served by the project to utilize broadband service;

71.32 (6) include a component to actively promote the adoption of the newly available
 71.33 broadband services in the community;

71.34 (7) provide evidence of strong support for the project from citizens, government,
 71.35 businesses, and institutions in the community;

72.1 (8) provide access to broadband service to a greater number of unserved or
72.2 underserved households and businesses; or

72.3 (9) leverage greater amounts of funding for the project from other private and
72.4 public sources.

72.5 (c) The commissioner shall endeavor to award grants under this section to qualified
72.6 applicants in all regions of the state.

72.7 (d) Within 90 days after the first grant is awarded under this section in a fiscal year,
72.8 the commissioner shall notify in writing each applicant who did not receive a grant why
72.9 the specific application was unsuccessful.

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

72.11 Sec. 5. Minnesota Statutes 2014, section 116J.395, subdivision 7, is amended to read:

72.12 Subd. 7. **Limitation.** (a) No grant awarded under this section in an unserved area
72.13 may fund more than 50 percent of the total cost of a project.

72.14 (b) ~~Grants awarded to a single project under this section must not exceed \$5,000,000~~
72.15 No grant awarded under this section in an underserved area may fund more than 25
72.16 percent of the total cost of a project.

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

72.18 Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision
72.19 to read:

72.20 Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of
72.21 Broadband Development shall place on the Department of Employment and Economic
72.22 Development's Web site and provide to the chairs and ranking minority members of the
72.23 senate and house of representatives committees with primary jurisdiction over broadband
72.24 a list of all applications for grants under this section received during the previous year
72.25 and, for each application:

72.26 (1) the results of any quantitative weighting scheme or scoring system the
72.27 commissioner used to award grants or rank the applications;

72.28 (2) the grant amount requested; and

72.29 (3) the grant amount awarded, if any.

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

72.31 The initial report submission required under this section is due June 30, 2016.

72.32 Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

73.1 (a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband
 73.2 Development shall contract with one or more independent organizations that have
 73.3 extensive experience working with Minnesota broadband providers to:

73.4 (1) collect broadband deployment data from Minnesota providers, verify its accuracy
 73.5 through on-the-ground testing, and create state and county maps available to the public by
 73.6 February 1, 2017, and each February 1 thereafter, showing the availability of broadband
 73.7 service at various upload and download speeds throughout Minnesota;

73.8 (2) analyze the deployment data collected to help inform future investments in
 73.9 broadband infrastructure; and

73.10 (3) conduct business and residential surveys that measure broadband adoption and
 73.11 use in the state.

73.12 (b) Data provided by a broadband provider under this section is nonpublic data
 73.13 under section 13.02, subdivision 9. Maps produced under this paragraph are public data
 73.14 under section 13.03.

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

73.16 Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

73.17 Notwithstanding any other law to the contrary, sections 116J.871 and 177.41 to
 73.18 177.44 do not apply to the construction, installation, remodeling, and repair of last-mile
 73.19 infrastructure, as defined under section 116J.394, paragraph (e).

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

73.21 Sec. 9. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

73.22 Subdivision 1. **Universal access and high-speed goal.** (a) It is a state goal that as
 73.23 soon as possible, but no later than ~~2015~~ 2022, all state residents and businesses have access
 73.24 to high-speed broadband service that provides minimum download speeds of ~~ten to 20~~ 25
 73.25 megabits per second and minimum upload speeds of ~~five to ten~~ three megabits per second.

73.26 (b) It is a state goal that no later than 2026 all households in the state have access to
 73.27 at least one broadband service provider offering broadband service at minimum speeds of
 73.28 100 megabits per second download and 20 megabits per second upload.

73.29 Sec. 10. Minnesota Statutes 2014, section 237.012, subdivision 2, is amended to read:

73.30 Subd. 2. **State broadband leadership position.** It is a goal of the state that by
 73.31 ~~2015~~ 2022 and thereafter, the state be in:

74.1 (1) the top five states of the United States for broadband speed universally accessible
74.2 to residents and businesses;

74.3 (2) the top five states for broadband access; and

74.4 (3) the top 15 when compared to countries globally for broadband penetration.

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

74.6 **ARTICLE 13**

74.7 **ENERGY**

74.8 Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

74.9 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
74.10 eligible applicants for reimbursable costs.

74.11 (b) The following costs are reimbursable for purposes of this chapter:

74.12 (1) corrective action costs incurred by the applicant and documented in a form
74.13 prescribed by the board, ~~except the costs related to the physical removal of a tank,~~

74.14 Corrective action costs incurred by the applicant include costs for physical removal of
74.15 a tank when the physical removal is part of a corrective action, regardless of whether
74.16 the tank is leaking at the time of removal, and the removal is directed or approved by
74.17 the commissioner;

74.18 (2) costs that the responsible person is legally obligated to pay as damages to third
74.19 parties for bodily injury, property damage, or corrective action costs incurred by a third
74.20 party caused by a release where the responsible person's liability for the costs has been
74.21 established by a court order or court-approved settlement; and

74.22 (3) up to 180 days of interest costs associated with the financing of corrective action
74.23 and incurred by the applicant in a written extension of credit or loan that has been signed by
74.24 the applicant and executed after July 1, 2002, provided that the applicant documents that:

74.25 (i) the interest costs are incurred as a result of an extension of credit or loan from a
74.26 financial institution; and

74.27 (ii) the board has not considered the application within the applicable time frame
74.28 specified in subdivision 2a, paragraph (c).

74.29 Interest costs meeting the requirements of this clause are eligible only when they are
74.30 incurred between the date a complete initial application is received by the board, or the
74.31 date a complete supplemental application is received by the board, and the date that the
74.32 board first notifies the applicant of its reimbursement determination. An application is
74.33 complete when the information reasonably required or requested by the board's staff
74.34 from the applicant has been received by the board's staff. Interest costs are not eligible

75.1 for reimbursement to the extent they exceed two percentage points above the adjusted
75.2 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
75.3 extension of credit or loan was executed.

75.4 (c) A cost for liability to a third party is incurred by the responsible person when an
75.5 order or court-approved settlement is entered that sets forth the specific costs attributed
75.6 to the liability. Except as provided in this paragraph, reimbursement may not be made
75.7 for costs of liability to third parties until all eligible corrective action costs have been
75.8 reimbursed. If a corrective action is expected to continue in operation for more than one
75.9 year after it has been fully constructed or installed, the board may estimate the future
75.10 expense of completing the corrective action and, after subtracting this estimate from the
75.11 total reimbursement available under subdivision 3, reimburse the costs for liability to third
75.12 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

75.13 Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

75.14 Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall
75.15 reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs
75.16 incurred at the site, except that the board may reimburse an eligible applicant from the
75.17 fund for greater than 90 percent of the total reimbursable costs, if the applicant previously
75.18 qualified for a higher reimbursement rate. For costs associated with a release from a tank
75.19 in transport, the board may reimburse a maximum of \$100,000.

75.20 Not more than ~~\$1,000,000 may be reimbursed for costs associated with a single~~
75.21 ~~release, regardless of the number of persons eligible for reimbursement, and not more than~~
75.22 ~~\$2,000,000 may be reimbursed for costs associated with a single tank facility release.~~

75.23 (b) A reimbursement may not be made from the fund under this chapter until the
75.24 board has determined that the costs for which reimbursement is requested were actually
75.25 incurred and were reasonable.

75.26 (c) When an applicant has obtained responsible competitive bids or proposals
75.27 according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs
75.28 for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal
75.29 are presumed to be reasonable by the board, unless the costs of the low bid or proposal are
75.30 substantially in excess of the average costs charged for similar tasks, procedures, services,
75.31 materials, equipment, and tests in the same geographical area during the same time period.

75.32 (d) When an applicant has obtained a minimum of two responsible competitive bids or
75.33 proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under
75.34 this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures,

76.1 services, materials, equipment and tests, the eligible costs of the low bid or proposal are
76.2 deemed reasonable if the costs are at or below the maximums set forth in the rules.

76.3 (e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~
76.4 adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are
76.5 at or below the maximums set forth in the rules, unless the costs in the change order are
76.6 above those in the original bid or proposal or are unsubstantiated and inconsistent with the
76.7 process and standards required by the rules.

76.8 (f) A reimbursement may not be made from the fund in response to either an initial
76.9 or supplemental application for costs incurred after June 4, 1987, that are payable under
76.10 an applicable insurance policy, except that if the board finds that the applicant has made
76.11 reasonable efforts to collect from an insurer and failed, the board shall reimburse the
76.12 applicant.

76.13 (g) If the board reimburses an applicant for costs for which the applicant has
76.14 insurance coverage, the board is subrogated to the rights of the applicant with respect to
76.15 that insurance coverage, to the extent of the reimbursement by the board. The board may
76.16 request the attorney general to bring an action in district court against the insurer to enforce
76.17 the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes
76.18 an assignment by the applicant to the board of any rights of the applicant with respect to
76.19 any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this
76.20 paragraph, the board may instead request a return of the reimbursement under subdivision
76.21 5 and may employ against the applicant the remedies provided in that subdivision, except
76.22 where the board has knowingly provided reimbursement because the applicant was denied
76.23 coverage by the insurer.

76.24 (h) Money in the fund is appropriated to the board to make reimbursements under
76.25 this chapter. A reimbursement to a state agency must be credited to the appropriation
76.26 account or accounts from which the reimbursed costs were paid.

76.27 (i) The board may reduce the amount of reimbursement to be made under this
76.28 chapter if it finds that the applicant has not complied with a provision of this chapter, a
76.29 rule or order issued under this chapter, or one or more of the following requirements:

76.30 (1) the agency was given notice of the release as required by section 115.061;

76.31 (2) the applicant, to the extent possible, fully cooperated with the agency in
76.32 responding to the release;

76.33 (3) the state rules applicable after December 22, 1993, to operating an underground
76.34 storage tank and appurtenances without leak detection;

77.1 (4) the state rules applicable after December 22, 1998, to operating an underground
77.2 storage tank and appurtenances without corrosion protection or spill and overflow
77.3 protection; and

77.4 (5) the state rule applicable after November 1, 1998, to operating an aboveground
77.5 tank without a dike or other structure that would contain a spill at the aboveground tank site.

77.6 (j) The reimbursement may be reduced as much as 100 percent for failure by
77.7 the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In
77.8 determining the amount of the reimbursement reduction, the board shall consider:

77.9 (1) the reasonable determination by the agency that the noncompliance poses a
77.10 threat to the environment;

77.11 (2) whether the noncompliance was negligent, knowing, or willful;

77.12 (3) the deterrent effect of the award reduction on other tank owners and operators;

77.13 (4) the amount of reimbursement reduction recommended by the commissioner; and

77.14 (5) the documentation of noncompliance provided by the commissioner.

77.15 (k) An applicant may request that the board issue a multiparty check that includes each
77.16 lender who advanced funds to pay the costs of the corrective action or to each contractor
77.17 or consultant who provided corrective action services. This request must be made by filing
77.18 with the board a document, in a form prescribed by the board, indicating the identity of the
77.19 applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the
77.20 location of the corrective action. The applicant must submit a request for the issuance
77.21 of a multiparty check for each application submitted to the board. Payment under this
77.22 paragraph does not constitute the assignment of the applicant's right to reimbursement
77.23 to the consultant, contractor, or lender. The board has no liability to an applicant for a
77.24 payment issued as a multiparty check that meets the requirements of this paragraph.

77.25 Sec. 3. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

77.26 Subdivision 1. **Renewable development account.** (a) Except as provided in
77.27 subdivision 1a, the public utility that owns the Prairie Island nuclear generating plant
77.28 must transfer to a renewable development account \$500,000 each year for each dry cask
77.29 containing spent fuel that is located at the Prairie Island power plant for each year the plant
77.30 is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the
77.31 commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste
77.32 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for
77.33 any part of a year.

77.34 (b) Except as provided in subdivision 1a, the public utility that owns the Monticello
77.35 nuclear generating plant must transfer to the renewable development account \$350,000

78.1 each year for each dry cask containing spent fuel that is located at the Monticello nuclear
78.2 power plant for each year the plant is in operation, and \$5,250,000 each year the plant is
78.3 not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer
78.4 must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage
78.5 facility at Monticello for any part of a year.

78.6 (c) After discontinuation of operation of the Prairie Island nuclear plant or the
78.7 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the
78.8 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
78.9 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
78.10 facility for any year in which the commission finds, by the preponderance of the evidence,
78.11 that the public utility did not make a good faith effort to remove the spent nuclear
78.12 fuel stored at the facility to a permanent or interim storage site out of the state. This
78.13 determination shall be made at least every two years.

78.14 (d) Funds in the account may be expended only for any of the following purposes:

78.15 (1) to increase the market penetration within the state of renewable electric energy
78.16 resources at reasonable costs;

78.17 (2) to promote the start-up, expansion, and attraction of renewable electric energy
78.18 projects and companies within the state;

78.19 (3) to stimulate research and development within the state into renewable electric
78.20 energy technologies; and

78.21 (4) to develop near-commercial and demonstration scale renewable electric projects
78.22 or near-commercial and demonstration scale electric infrastructure delivery projects if
78.23 those delivery projects enhance the delivery of renewable electric energy.

78.24 The utility that owns a nuclear generating plant is eligible to apply for renewable
78.25 development account grants.

78.26 (e) Expenditures authorized by this subdivision from the account may be made only
78.27 after approval by order of the Public Utilities Commission upon a petition by the public
78.28 utility. The commission may approve proposed expenditures, may disapprove proposed
78.29 expenditures that it finds to be not in compliance with this subdivision or otherwise
78.30 not in the public interest, and may, if agreed to by the public utility, modify proposed
78.31 expenditures. The commission may approve reasonable and necessary expenditures
78.32 for administering the account in an amount not to exceed five percent of expenditures.
78.33 Commission approval is not required for expenditures required under subdivisions 2
78.34 and 3, section 116C.7791, or other law.

78.35 (f) The account shall be managed by the public utility but the public utility must
78.36 consult about account expenditures with an advisory group that includes, among others,

79.1 representatives of its ratepayers. The commission may require that other interests be
79.2 represented on the advisory group. The advisory group must be consulted with respect to
79.3 the general scope of expenditures in designing a request for proposal and in evaluating
79.4 projects submitted in response to a request for proposals. In addition to consulting with the
79.5 advisory group, the public utility must utilize an independent third-party expert to evaluate
79.6 proposals submitted in response to a request for proposal, including all proposals made by
79.7 the public utility. A request for proposal for research and development under paragraph (d),
79.8 clause (3), may be limited to or include a request to higher education institutions located in
79.9 Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for
79.10 multiple projects may include a provision that exempts the projects from the third-party
79.11 expert review and instead provides for project evaluation and selection by a merit peer
79.12 review grant system. The utility should attempt to reach agreement with the advisory
79.13 group after consulting with it but the utility has full and sole authority to determine which
79.14 expenditures shall be submitted to the commission for commission approval. In the
79.15 process of determining request for proposal scope and subject and in evaluating responses
79.16 to request for proposals, the public utility must strongly consider, where reasonable,
79.17 potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

79.18 (g) Funds in the account may not be directly appropriated by the legislature by a law
79.19 enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date
79.20 may be expended only pursuant to an order of the commission according to this subdivision.

79.21 (h) A request for proposal for renewable energy generation projects must, when
79.22 feasible and reasonable, give preference to projects that are most cost-effective for a
79.23 particular energy source.

79.24 (i) The public utility must annually, by February 15, report to the chairs and ranking
79.25 minority members of the legislative committees with jurisdiction over energy policy on
79.26 projects funded by the account for the prior year and all previous years. The report must,
79.27 to the extent possible and reasonable, itemize the actual and projected financial benefit to
79.28 the public utility's ratepayers of each project.

79.29 (j) A project receiving funds from the account must produce a written final report
79.30 that includes sufficient detail for technical readers and a clearly written summary for
79.31 nontechnical readers. The report must include an evaluation of the project's financial,
79.32 environmental, and other benefits to the state and the public utility's ratepayers.

79.33 (k) Final reports, any mid-project status reports, and renewable development account
79.34 financial reports must be posted online on a public Web site designated by the commission.

80.1 (l) All final reports must acknowledge that the project was made possible in whole
80.2 or part by the Minnesota renewable development fund, noting that the fund is financed
80.3 by the public utility's ratepayers.

80.4 Sec. 4. Minnesota Statutes 2014, section 116C.779, is amended by adding a subdivision
80.5 to read:

80.6 Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative
80.7 transfers made to the account each year since 1999 for each dry cask containing spent fuel
80.8 that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello.
80.9 During the time when state law required the public utility to transfer a specific amount of
80.10 funds to the account for all the casks stored, the per-cask allocation shall be calculated by
80.11 dividing the total amount transferred by the number of casks stored that year.

80.12 (b) When the commissioner determines that the cumulative transfers calculated
80.13 under paragraph (a) for a specific cask reach \$10,000,000, the commissioner shall notify
80.14 the public utility that no additional transfers to the account for that cask shall be made.

80.15 (c) This subdivision does not affect any provisions of subdivision 1, paragraph (a) or
80.16 (b), with respect to transfers to the account made after a plant has ceased operation.

80.17 Sec. 5. Minnesota Statutes 2014, section 216A.03, subdivision 1, is amended to read:

80.18 Subdivision 1. **Members.** The Public Utilities Commission shall consist of ~~five~~ nine
80.19 members, eight of whom shall each represent one of the state's congressional districts, and
80.20 one member appointed at large. At the time of appointment, each member, except for the
80.21 at-large appointee, must reside in the congressional district the member is to represent.

80.22 The terms of members shall be six years and until their successors have been appointed
80.23 and qualified. Each commissioner shall be appointed by the governor by and with the
80.24 advice and consent of the senate. Not more than ~~three~~ five commissioners shall belong
80.25 to the same political party. ~~At least one commissioner must have been domiciled at the~~
80.26 ~~time of appointment outside the seven-county metropolitan area. If the membership of the~~
80.27 ~~commission after July 31, 1986, does not consist of at least one member domiciled at the~~
80.28 ~~time of appointment outside the seven-county metropolitan area, the membership shall~~
80.29 ~~conform to this requirement following normal attrition of the present commissioners. The~~
80.30 governor when selecting commissioners shall give consideration to persons learned in the
80.31 law or persons who have engaged in the profession of engineering, public accounting,
80.32 property and utility valuation, finance, physical or natural sciences, production agriculture,
80.33 or natural resources as well as being representative of the general public.

81.1 For purposes of this subdivision, ~~"seven-county metropolitan area" means Anoka,~~
81.2 ~~Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.~~

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

81.4 Sec. 6. Minnesota Statutes 2014, section 216A.03, is amended by adding a subdivision
81.5 to read:

81.6 Subd. 2a. **Transition.** (a) Until the governor has appointed commissioners from
81.7 each congressional district and one at-large commissioner, this subdivision governs
81.8 membership of the commission.

81.9 (b) Members of the commission as of July 1, 2016, shall continue to serve until the
81.10 expiration of their terms.

81.11 (c) No later than October 1, 2016, the governor shall appoint commissioners from
81.12 the first, seventh, and eighth congressional districts for terms to begin January 2, 2017.

81.13 (d) No later than October 1, 2018, the governor shall appoint a commissioner from
81.14 the second congressional district for a term to begin January 7, 2019.

81.15 (e) No later than October 1, 2019, the governor shall appoint commissioners from
81.16 the third, fourth, and fifth congressional districts for terms to begin January 6, 2020.

81.17 (f) No later than October 1, 2020, the governor shall appoint a commissioner from
81.18 the sixth congressional district for a term to begin January 4, 2021.

81.19 (g) No later than October 1, 2021, the governor shall appoint an at-large
81.20 commissioner for a term to begin January 3, 2022.

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

81.22 Sec. 7. Minnesota Statutes 2014, section 216B.1641, is amended to read:

81.23 **216B.1641 COMMUNITY SOLAR GARDEN.**

81.24 (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a
81.25 plan with the commission to operate a community solar garden program which shall begin
81.26 operations within 90 days after commission approval of the plan. Other public utilities
81.27 may file an application at their election. The community solar garden program must be
81.28 designed to offset the energy use of not less than five subscribers in each community
81.29 solar garden facility of which no single subscriber has more than a 40 percent interest.
81.30 The owner of the community solar garden may be a public utility or any other entity or
81.31 organization that contracts to sell the output from the community solar garden to the
81.32 utility under section 216B.164. There shall be no limitation on the number or cumulative

82.1 generating capacity of community solar garden facilities other than the limitations imposed
82.2 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

82.3 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
82.4 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for
82.5 the electricity generated in proportion to the size of their subscription. The solar garden
82.6 must have a nameplate capacity of no more than one megawatt. Each subscription shall be
82.7 sized to represent at least 200 watts of the community solar garden's generating capacity
82.8 and to supply, when combined with other distributed generation resources serving the
82.9 premises, no more than 120 percent of the average annual consumption of electricity by
82.10 each subscriber at the premises to which the subscription is attributed.

82.11 (c) The solar generation facility must be located in the service territory of the public
82.12 utility filing the plan. Subscribers must be retail customers of the public utility located in
82.13 the same county or a county contiguous to where the facility is located.

82.14 (d) The public utility must purchase from the community solar garden all energy
82.15 generated by the solar garden. The purchase shall be at the rate calculated under section
82.16 216B.164, subdivision 10, or, until that rate for the public utility has been approved by
82.17 the commission, the applicable retail rate. A solar garden is eligible for any incentive
82.18 programs offered under either section 116C.7792 or section 216C.415. A subscriber's
82.19 portion of the purchase shall be provided by a credit on the subscriber's bill.

82.20 (e) The commission may approve, disapprove, or modify a community solar garden
82.21 program. Any plan approved by the commission must:

82.22 (1) reasonably allow for the creation, financing, and accessibility of community
82.23 solar gardens;

82.24 (2) establish uniform standards, fees, and processes for the interconnection
82.25 of community solar garden facilities that allow the utility to recover reasonable
82.26 interconnection costs for each community solar garden;

82.27 (3) not apply different requirements to utility and nonutility community solar garden
82.28 facilities;

82.29 (4) be consistent with the public interest;

82.30 (5) identify the information that must be provided to potential subscribers to ensure
82.31 fair disclosure of future costs and benefits of subscriptions;

82.32 (6) include a program implementation schedule;

82.33 (7) identify all proposed rules, fees, and charges; and

82.34 (8) identify the means by which the program will be promoted;.

83.1 (9) certify that the utility and the owner of a solar garden will submit copies of all
 83.2 marketing and promotional material and sample contracts to the commission, and that
 83.3 the materials will be updated periodically;

83.4 (10) provide a mechanism for subscribers to transfer subscriptions to other new or
 83.5 current subscribers;

83.6 (11) require an owner of a solar garden and the utility purchasing electricity
 83.7 generated by the solar garden to forward customer complaints regarding the operation of
 83.8 the solar garden to the commission; and

83.9 (12) reflect the commission's determination that:

83.10 (i) the plan is financially viable; and

83.11 (ii) the contract between a subscriber and the owner of a solar garden is fair,
 83.12 reasonable, and not discriminatory.

83.13 (f) Notwithstanding any other law, neither the manager of nor the subscribers to a
 83.14 community solar garden facility shall be considered a utility solely as a result of their
 83.15 participation in the community solar garden facility.

83.16 (g) Within 180 days of commission approval of a plan under this section, a utility
 83.17 shall begin crediting subscriber accounts for each community solar garden facility in
 83.18 its service territory, and shall file with the commissioner of commerce a description of
 83.19 its crediting system.

83.20 (h) For the purposes of this section, the following terms have the meanings given:

83.21 (1) "subscriber" means a retail customer of a utility who owns one or more
 83.22 subscriptions of a community solar garden facility interconnected with that utility; and

83.23 (2) "subscription" means a contract between a subscriber and the owner of a solar
 83.24 garden.

83.25 **EFFECTIVE DATE.** This section is effective the day following final enactment
 83.26 and applies to any plan submitted to the commission for approval on or after that date.

83.27 Sec. 8. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

83.28 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16,
 83.29 subdivision 6b, the terms defined in this subdivision have the meanings given them.

83.30 (a) "Commission" means the Public Utilities Commission.

83.31 (b) "Commissioner" means the commissioner of commerce.

83.32 (c) "Department" means the Department of Commerce.

83.33 (d) "Energy conservation" means demand-side management of energy supplies
 83.34 resulting in a net reduction in energy use. Load management that reduces overall energy
 83.35 use is energy conservation.

84.1 (e) "Energy conservation improvement" means a project that results in energy
84.2 efficiency or energy conservation. Energy conservation improvement may include waste
84.3 heat that is recovered and converted into electricity, but does not include electric utility
84.4 infrastructure projects approved by the commission under section 216B.1636. Energy
84.5 conservation improvement also includes waste heat recovered and used as thermal energy.

84.6 (f) "Energy efficiency" means measures or programs, including energy conservation
84.7 measures or programs, that target consumer behavior, equipment, processes, or devices
84.8 designed to produce either an absolute decrease in consumption of electric energy or natural
84.9 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
84.10 basis without a reduction in the quality or level of service provided to the energy consumer.

84.11 (g) "Gross annual retail energy sales" means annual electric sales to all retail
84.12 customers in a utility's or association's Minnesota service territory or natural gas
84.13 throughput to all retail customers, including natural gas transportation customers, on a
84.14 utility's distribution system in Minnesota. For purposes of this section, gross annual
84.15 retail energy sales exclude:

84.16 (1) gas sales to:

84.17 (i) a large energy facility;

84.18 (ii) a large customer facility whose natural gas utility has been exempted by the
84.19 commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made
84.20 to the large customer facility; ~~and~~

84.21 (iii) a commercial gas customer facility whose natural gas utility has been exempted
84.22 by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales
84.23 made to the commercial gas customer facility; and

84.24 (iv) a pipeline facility; and

84.25 (2) electric sales to:

84.26 (i) a large customer facility whose electric utility has been exempted by the
84.27 commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to
84.28 the large customer facility; and

84.29 (ii) a pipeline facility.

84.30 (h) "Investments and expenses of a public utility" includes the investments
84.31 and expenses incurred by a public utility in connection with an energy conservation
84.32 improvement, including but not limited to:

84.33 (1) the differential in interest cost between the market rate and the rate charged on a
84.34 no-interest or below-market interest loan made by a public utility to a customer for the
84.35 purchase or installation of an energy conservation improvement;

85.1 (2) the difference between the utility's cost of purchase or installation of energy
85.2 conservation improvements and any price charged by a public utility to a customer for
85.3 such improvements.

85.4 (i) "Large customer facility" means all buildings, structures, equipment, and
85.5 installations at a single site that collectively (1) impose a peak electrical demand on an
85.6 electric utility's system of not less than 20,000 kilowatts, measured in the same way as the
85.7 utility that serves the customer facility measures electrical demand for billing purposes or
85.8 (2) consume not less than 500 million cubic feet of natural gas annually. In calculating
85.9 peak electrical demand, a large customer facility may include demand offset by on-site
85.10 cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy
85.11 demand from the large customer facility's mining and processing operations.

85.12 (j) "Large energy facility" has the meaning given it in section 216B.2421,
85.13 subdivision 2, clause (1).

85.14 (k) "Load management" means an activity, service, or technology to change the
85.15 timing or the efficiency of a customer's use of energy that allows a utility or a customer to
85.16 respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

85.17 (l) "Low-income programs" means energy conservation improvement programs that
85.18 directly serve the needs of low-income persons, including low-income renters.

85.19 (m) "Petroleum products" has the meaning given in section 296A.01, subdivision 42,
85.20 and includes propane, as defined in section 216B.02, subdivision 3a.

85.21 (n) "Pipeline facility" means a pipeline located within Minnesota with a diameter of
85.22 six inches or greater and through which natural gas, petroleum, or petroleum products are
85.23 transported under pressure to a utility, petroleum refinery, or other wholesale customer.
85.24 Pipeline facility includes natural gas compressor stations, petroleum pumping stations,
85.25 and other facilities necessary to physically transport fuel through a pipeline to a wholesale
85.26 customer, but does not include facilities used to transport natural gas, petroleum, or
85.27 petroleum products within a petroleum refinery, storage, or manufacturing facility.

85.28 (o) "Qualifying utility" means a utility that supplies the energy to a customer that
85.29 enables the customer to qualify as a large customer facility.

85.30 ~~(n)~~ (p) "Waste heat recovered and used as thermal energy" means capturing
85.31 heat energy that would otherwise be exhausted or dissipated to the environment from
85.32 machinery, buildings, or industrial processes and productively using such recovered
85.33 thermal energy where it was captured or distributing it as thermal energy to other locations
85.34 where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

85.35 ~~(o)~~ (q) "Waste heat recovery converted into electricity" means an energy recovery
85.36 process that converts otherwise lost energy from the heat of exhaust stacks or pipes used

86.1 for engines or manufacturing or industrial processes, or the reduction of high pressure
86.2 in water or gas pipelines.

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

86.4 Sec. 9. Minnesota Statutes 2014, section 216B.241, subdivision 1a, is amended to read:

86.5 Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For
86.6 purposes of this subdivision and subdivision 2, "public utility" has the meaning given it
86.7 in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy
86.8 conservation improvements under this subdivision and subdivision 2 the following
86.9 amounts:

86.10 (1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues
86.11 from service provided in the state;

86.12 (2) for a utility that furnishes electric service, 1.5 percent of its gross operating
86.13 revenues from service provided in the state; and

86.14 (3) for a utility that furnishes electric service and that operates a nuclear-powered
86.15 electric generating plant within the state, two percent of its gross operating revenues
86.16 from service provided in the state.

86.17 For purposes of this paragraph (a), "gross operating revenues" do not include
86.18 revenues from large customer facilities exempted under paragraph (b), ~~or~~ from commercial
86.19 gas customers that are exempted under paragraph (c) or (e), or from a customer that is
86.20 a pipeline facility.

86.21 (b) The owner of a large customer facility may petition the commissioner to exempt
86.22 both electric and gas utilities serving the large customer facility from the investment and
86.23 expenditure requirements of paragraph (a) with respect to retail revenues attributable to
86.24 the large customer facility. The filing must include a discussion of the competitive or
86.25 economic pressures facing the owner of the facility and the efforts taken by the owner
86.26 to identify, evaluate, and implement energy conservation and efficiency improvements.
86.27 A filing submitted on or before October 1 of any year must be approved within 90 days
86.28 and become effective January 1 of the year following the filing, unless the commissioner
86.29 finds that the owner of the large customer facility has failed to take reasonable measures
86.30 to identify, evaluate, and implement energy conservation and efficiency improvements.
86.31 If a facility qualifies as a large customer facility solely due to its peak electrical demand
86.32 or annual natural gas usage, the exemption may be limited to the qualifying utility if
86.33 the commissioner finds that the owner of the large customer facility has failed to take
86.34 reasonable measures to identify, evaluate, and implement energy conservation and
86.35 efficiency improvements with respect to the nonqualifying utility. Once an exemption is

87.1 approved, the commissioner may request the owner of a large customer facility to submit,
87.2 not more often than once every five years, a report demonstrating the large customer
87.3 facility's ongoing commitment to energy conservation and efficiency improvement after
87.4 the exemption filing. The commissioner may request such reports for up to ten years after
87.5 the effective date of the exemption, unless the majority ownership of the large customer
87.6 facility changes, in which case the commissioner may request additional reports for up to
87.7 ten years after the change in ownership occurs. The commissioner may, within 180 days
87.8 of receiving a report submitted under this paragraph, rescind any exemption granted under
87.9 this paragraph upon a determination that the large customer facility is not continuing
87.10 to make reasonable efforts to identify, evaluate, and implement energy conservation
87.11 improvements. A large customer facility that is, under an order from the commissioner,
87.12 exempt from the investment and expenditure requirements of paragraph (a) as of
87.13 December 31, 2010, is not required to submit a report to retain its exempt status, except as
87.14 otherwise provided in this paragraph with respect to ownership changes. No exempt large
87.15 customer facility may participate in a utility conservation improvement program unless the
87.16 owner of the facility submits a filing with the commissioner to withdraw its exemption.

87.17 (c) A commercial gas customer that is not a large customer facility and that
87.18 purchases or acquires natural gas from a public utility having fewer than 600,000 natural
87.19 gas customers in Minnesota may petition the commissioner to exempt gas utilities serving
87.20 the commercial gas customer from the investment and expenditure requirements of
87.21 paragraph (a) with respect to retail revenues attributable to the commercial gas customer.
87.22 The petition must be supported by evidence demonstrating that the commercial gas
87.23 customer has acquired or can reasonably acquire the capability to bypass use of the utility's
87.24 gas distribution system by obtaining natural gas directly from a supplier not regulated by
87.25 the commission. The commissioner shall grant the exemption if the commissioner finds
87.26 that the petitioner has made the demonstration required by this paragraph.

87.27 (d) The commissioner may require investments or spending greater than the amounts
87.28 required under this subdivision for a public utility whose most recent advance forecast
87.29 required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100
87.30 megawatts or greater within five years under midrange forecast assumptions.

87.31 (e) A public utility or owner of a large customer facility may appeal a decision of the
87.32 commissioner under paragraph (b), (c), or (d) to the commission under subdivision 2. In
87.33 reviewing a decision of the commissioner under paragraph (b), (c), or (d), the commission
87.34 shall rescind the decision if it finds that the required investments or spending will:

- 87.35 (1) not result in cost-effective energy conservation improvements; or
87.36 (2) otherwise not be in the public interest.

88.1 (f) No pipeline facility may participate in a utility conservation improvement
88.2 program.

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

88.4 Sec. 10. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

88.5 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving
88.6 goals for energy conservation improvement expenditures and shall evaluate an energy
88.7 conservation improvement program on how well it meets the goals set.

88.8 (b) Each individual utility and association shall have an annual energy-savings
88.9 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the
88.10 commissioner under paragraph (d). The savings goals must be calculated based on the
88.11 most recent three-year weather-normalized average. A utility or association may elect to
88.12 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three
88.13 calendar years, except that savings from electric utility infrastructure projects allowed
88.14 under paragraph (d) may be carried forward for five years. A particular energy savings can
88.15 be used only for one year's goal.

88.16 (c) The commissioner must adopt a filing schedule that is designed to have all
88.17 utilities and associations operating under an energy-savings plan by calendar year 2010.

88.18 (d) In its energy conservation improvement plan filing, a utility or association may
88.19 request the commissioner to adjust its annual energy-savings percentage goal based on
88.20 its historical conservation investment experience, customer class makeup, load growth, a
88.21 conservation potential study, or other factors the ~~commissioner determines warrants~~ utility
88.22 or association asserts warrant an adjustment. The commissioner:

88.23 (1) must approve a request by a municipal utility or cooperative electric association
88.24 to adjust the utility's or association's annual energy-savings goal;

88.25 (2) may approve a request from a public utility to adjust its annual energy-savings
88.26 goal; and

88.27 (3) may not approve is prohibited from approving a plan of a public utility that
88.28 provides for an annual energy-savings goal of less than one percent of gross annual retail
88.29 energy sales from energy conservation improvements.

88.30 A public utility or association may include in its energy conservation plan energy
88.31 savings from electric utility infrastructure projects approved by the commission under
88.32 section 216B.1636 or waste heat recovery converted into electricity projects ~~that~~ each of
88.33 which may count as energy savings only in addition to a minimum energy-savings goal of
88.34 at least one percent for energy conservation improvements. Energy savings from electric
88.35 utility infrastructure projects, as defined in section 216B.1636, may be included in the

89.1 energy conservation plan of a municipal utility or cooperative electric association. Electric
89.2 utility infrastructure projects must result in increased energy efficiency greater than that
89.3 which would have occurred through normal maintenance activity.

89.4 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure
89.5 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the
89.6 energy-savings goal established in this subdivision.

89.7 (f) An association or utility is not required to make energy conservation investments
89.8 to attain the energy-savings goals of this subdivision that are not cost-effective even
89.9 if the investment is necessary to attain the energy-savings goals. For the purpose of
89.10 this paragraph, in determining cost-effectiveness, the commissioner shall consider the
89.11 costs and benefits to ratepayers, the utility, participants, and society. In addition, the
89.12 commissioner shall consider the rate at which an association or municipal utility is
89.13 increasing its energy savings and its expenditures on energy conservation.

89.14 (g) On an annual basis, the commissioner shall produce and make publicly available
89.15 a report on the annual energy savings and estimated carbon dioxide reductions achieved
89.16 by the energy conservation improvement programs for the two most recent years for
89.17 which data is available. The commissioner shall report on program performance both in
89.18 the aggregate and for each entity filing an energy conservation improvement plan for
89.19 approval or review by the commissioner.

89.20 (h) By January 15, 2010, the commissioner shall report to the legislature whether
89.21 the spending requirements under subdivisions 1a and 1b are necessary to achieve the
89.22 energy-savings goals established in this subdivision.

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

89.24 Sec. 11. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

89.25 Subd. 8. **Exemptions.** This section does not apply to:

89.26 (1) cogeneration or small power production facilities as defined in the Federal Power
89.27 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
89.28 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
89.29 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
89.30 any case where the commission has determined after being advised by the attorney general
89.31 that its application has been preempted by federal law;

89.32 (2) a high-voltage transmission line proposed primarily to distribute electricity to
89.33 serve the demand of a single customer at a single location, unless the applicant opts to
89.34 request that the commission determine need under this section or section 216B.2425;

90.1 (3) the upgrade to a higher voltage of an existing transmission line that serves the
 90.2 demand of a single customer that primarily uses existing rights-of-way, unless the applicant
 90.3 opts to request that the commission determine need under this section or section 216B.2425;

90.4 (4) a high-voltage transmission line of one mile or less required to connect a new or
 90.5 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

90.6 (5) conversion of the fuel source of an existing electric generating plant to using
 90.7 natural gas;

90.8 (6) the modification of an existing electric generating plant to increase efficiency,
 90.9 as long as the capacity of the plant is not increased more than ten percent or more than
 90.10 100 megawatts, whichever is greater; ~~or~~

90.11 (7) a wind energy conversion system or solar electric generation facility if the system
 90.12 or facility is owned and operated by an independent power producer and the electric output
 90.13 of the system or facility is not sold to an entity that provides retail service in Minnesota
 90.14 or wholesale electric service to another entity in Minnesota other than an entity that is a
 90.15 federally recognized regional transmission organization or independent system operator; or

90.16 (8) an interstate pipeline traversing Minnesota whose termini lie outside the state.

90.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
 90.18 and applies to (1) a pipeline that has not filed a certificate of need application before the
 90.19 effective date of this section, and (2) a pipeline that has a certificate of need application
 90.20 pending before the commission on the effective date of this section.

90.21 Sec. 12. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

90.22 Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure
 90.23 constructed after January 1, 1978, and used primarily as a commercial parking facility for
 90.24 three or more motor vehicles shall be heated. Incidental heating resulting from building
 90.25 exhaust air passing through a parking facility shall not be prohibited, provided that
 90.26 substantially all useful heat has previously been removed from the air. The commissioner
 90.27 of commerce may grant an exemption from this subdivision if the commercial parking is
 90.28 integrated within a facility that has both public and private uses, the benefits to taxpayers
 90.29 of the exemption exceed the costs, and all appropriate energy efficiency measures have
 90.30 been considered.

90.31 Sec. 13. **[216E.023] PROHIBITION; SITING SOLAR SYSTEM; TREE**
 90.32 **CUTTING.**

90.33 No state or local site permit may be issued for a solar energy generating system that
 90.34 would contribute to meeting the requirements of section 216B.1691, subdivision 2f, or

91.1 that is governed under section 216B.1641, if the solar energy generating system is to be
91.2 sited at a location where more than 75 percent of the trees standing in an area exceeding
91.3 three acres are proposed to be cut in order to accommodate construction of the solar
91.4 energy generating system.

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

91.6 Sec. 14. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

91.7 Subd. 5. **Environmental review.** (a) The commissioner of the Department of
91.8 Commerce shall prepare for the commission an environmental impact statement on each
91.9 proposed large electric generating plant or high-voltage transmission line for which a
91.10 complete application has been submitted. The commissioner shall not consider whether
91.11 or not the project is needed. No other state environmental review documents shall be
91.12 required. The commissioner shall study and evaluate any site or route proposed by an
91.13 applicant and any other site or route the commission deems necessary that was proposed in
91.14 a manner consistent with rules concerning the form, content, and timeliness of proposals
91.15 for alternate sites or routes.

91.16 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is
91.17 a large electric power generating plant and is not proposed by a utility, the commissioner
91.18 must make a finding in the environmental impact statement whether the project is likely to
91.19 result in a net reduction of carbon dioxide emissions, considering both the utility providing
91.20 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
91.21 emissions as a result of increased efficiency from the production of thermal energy on the
91.22 part of the customer operating or owning the proposed cogeneration facility.

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

91.24 Sec. 15. Minnesota Statutes 2014, section 216H.01, is amended by adding a
91.25 subdivision to read:

91.26 Subd. 1a. **Cogeneration facility or combined heat and power facility.**
91.27 "Cogeneration facility" or "combined heat and power facility" means a facility that:

91.28 (1) has the meaning given in United States Code, title 16, section 796, clause (18),
91.29 paragraph (A); and

91.30 (2) meets the applicable operating and efficiency standards contained in Code of
91.31 Federal Regulations, title 18, part 292.205.

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

92.1 Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

92.2 Subdivision 1. **Definition; new large energy facility.** For the purpose of this
 92.3 section, "new large energy facility" means a large energy facility, as defined in section
 92.4 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but
 92.5 does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration
 92.6 facility or combined heat and power facility located in the electric service area of a public
 92.7 utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking,
 92.8 intermediate, emergency backup, or contingency services, (3) uses a simple cycle or
 92.9 combined cycle turbine technology, and (4) is capable of achieving full load operations
 92.10 within 45 minutes of startup for a simple cycle facility, or is capable of achieving
 92.11 minimum load operations within 185 minutes of startup for a combined cycle facility.

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

92.13 Sec. 17. Laws 2001, chapter 130, section 3, is amended to read:

92.14 Sec. 3. **ASSESSMENT.**

92.15 A propane education and research council, established and certified pursuant to
 92.16 section 2, may assess propane producers and retail marketers an amount not to exceed ~~one~~
 92.17 ~~mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a),
 92.18 per gallon of odorized propane in a manner established by the council in compliance with
 92.19 United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and
 92.20 retail marketers shall be responsible for the amounts assessed.

92.21 Sec. 18. **PROHIBITION ON EXPENDITURE OF STATE FUNDS; CLEAN**
 92.22 **POWER PLAN.**

92.23 No state agency shall expend state funds to develop a state plan as required by the
 92.24 federal Clean Power Plan unless and until a final decision in the case of West Virginia,
 92.25 et. al., v. United States Environmental Protection Agency, et. al., determines that the
 92.26 federal Environmental Protection Agency has legal authority to require the submission
 92.27 of such state plans.

92.28 For the purposes of this section, "Clean Power Plan" means the final rule of the
 92.29 federal Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric
 92.30 Utility Generating Units, issued by the United States Environmental Protection Agency in
 92.31 Docket No. EPA-HQ-OAR-2013-0602, and any subsequent amendments made to the plan.

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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 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.

179A.50 REPRESENTATION OF FAMILY CHILD CARE PROVIDERS.

Sections 179A.50 to 179A.52 shall be known as the Family Child Care Providers Representation Act.

179A.51 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179A.50 to 179A.52, the terms in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of mediation services.

Subd. 3. **Exclusive representative.** "Exclusive representative" means an employee organization that has been elected and certified under section 179A.52, thereby maintaining the right to represent family child care providers in their relations with the state.

Subd. 4. **Family child care provider.** "Family child care provider" means an individual, either licensed or unlicensed, who provides legal child care services as defined under section 245A.03, except for providers licensed under Minnesota Rules, chapter 9503, or excluded from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), and who receives child

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care assistance to subsidize child care services for a child or children currently in the individual's care, under sections 119B.03; 119B.05; and 119B.011, subdivisions 20 and 20a.

179A.52 RIGHT TO ORGANIZE.

Subdivision 1. **Rights of individual providers and participants.** For the purposes of the Public Employment Labor Relations Act, under chapter 179A, family child care providers shall be considered, by virtue of this section, executive branch state employees employed by the commissioner of management and budget or the commissioner's representative. This section does not require the treatment of family child care providers as public employees for any other purpose. Family child care providers are not state employees for purposes of section 3.736. Chapter 179A shall apply to family child care providers except as otherwise provided in this section. Notwithstanding section 179A.03, subdivision 14, paragraph (a), clause (5), chapter 179A shall apply to family child care providers regardless of part-time or full-time employment status. Family child care providers shall not have the right to strike.

Subd. 2. **Appropriate unit.** The only appropriate unit under this section shall be a statewide unit of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The unit shall be treated as an appropriate unit under section 179A.10, subdivision 2.

Subd. 3. **Compilation of list.** The commissioner of human services shall, by July 1, 2013, and monthly thereafter, compile and maintain a list of the names and addresses of all family child care providers who meet the definition in section 179A.51, and who have had an active registration under chapter 119B within the previous 12 months. The list shall not include the name of any participant, or indicate that an individual provider is a relative of a participant or has the same address as a participant. The commissioner of human services shall share the lists with others as needed for the state to meet its obligations under chapter 179A as modified and made applicable to family child care providers under this section, and to facilitate the representational processes under this section.

Subd. 4. **List access.** Beginning July 1, 2013, upon a showing made to the commissioner of the Bureau of Mediation Services by any employee organization wishing to represent the appropriate unit of family child care providers that at least 500 family child care providers support such representation, the commissioner of human services shall provide to such organization within seven days the most recent list of actively registered family child care providers compiled under subdivision 3, and subsequent monthly lists upon request for an additional three months. When the list is made available to an employee organization under this subdivision, the list must be made publicly available.

Subd. 5. **Elections for exclusive representative.** After July 31, 2013, any employee organization wishing to represent the appropriate unit of family child care providers may seek exclusive representative status pursuant to section 179A.12. Certification elections for family child care providers shall be conducted by mail ballot, and such election shall be conducted upon an appropriate petition stating that at least 30 percent of the appropriate unit wishes to be represented by the petitioner. The family child care providers eligible to vote in any such election shall be those family child care providers on the monthly list of family child care providers compiled under this section, most recently preceding the filing of the election petition. Except as otherwise provided, elections under this subdivision shall be conducted in accordance with section 179A.12.

Subd. 6. **Meet and negotiate.** If the commissioner certifies an employee organization as the majority exclusive representative, the state, through the governor or the governor's designee, shall meet and negotiate in good faith with the exclusive representative of the family child care provider unit regarding grievance issues, child care assistance reimbursement rates under chapter 119B, and terms and conditions of service, but this obligation does not compel the state or its representatives to agree to a proposal or require the making of a concession. The governor or the governor's designee is authorized to enter into agreements with the exclusive representative. Negotiated agreements and arbitration decisions must be submitted to the legislature to be accepted or rejected in accordance with sections 3.855 and 179A.22.

Subd. 7. **Meet and confer.** The state has an obligation to meet and confer under chapter 179A with family child care providers to discuss policies and other matters relating to their service that are not terms and conditions of service.

Subd. 8. **Terms and conditions of service.** For purposes of this section, "terms and conditions of service" has the same meaning as given in section 179A.03, subdivision 19.

Subd. 9. **Rights.** Nothing in this section shall be construed to interfere with:

(1) parental rights to select and deselect family child care providers or the ability of family child care providers to establish the rates they charge to parents;

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(2) the right or obligation of any state agency to communicate or meet with any citizen or organization concerning family child care legislation, regulation, or policy; or

(3) the rights and responsibilities of family child care providers under federal law.

Subd. 10. **Membership status and eligibility for subsidies.** Membership status in an employee organization shall not affect the eligibility of a family child care provider to receive payments under, or serve a child who receives payments under, chapter 119B.

179A.53 NO USE OF SCHOLARSHIPS FOR DUES OR FEES.

Early learning scholarships shall not be applied, through state withholding or otherwise, toward payment of dues or fees that are paid to exclusive representatives of family child care providers.