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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **2208**

03/07/2019 Authored by Mahoney and Noor
The bill was read for the first time and referred to the Committee on Ways and Means
04/09/2019 Adoption of Report: Amended and re-referred to the Committee on Taxes

1.1 A bill for an act

1.2 relating to state government; establishing a budget for economic development,

1.3 telecommunications, and energy; appropriating money to the broadband grant

1.4 program; establishing a budget to finance energy-related activities; creating

1.5 renewable energy grant programs; modifying and establishing various provisions

1.6 governing energy policy and finance; strengthening requirements for clean energy

1.7 and energy conservation in Minnesota; appropriating money for jobs and economic

1.8 development; establishing paid family leave insurance; modifying economic

1.9 development programs; establishing wage theft prevention; providing for earned

1.10 sick and safe time; modifying labor and industry policy provisions; modifying

1.11 commerce policy provisions; adopting Unemployment Insurance Advisory Council

1.12 provisions; modifying unemployment insurance policy; modifying Bureau of

1.13 Mediation Services policy; establishing guidelines relating to unclaimed property;

1.14 modifying fees; increasing civil and criminal penalties; authorizing rulemaking;

1.15 requiring reports; appropriating money; amending Minnesota Statutes 2018, sections

1.16 13.43, subdivision 6; 13.685; 13.719, by adding a subdivision; 15.72, subdivision

1.17 2; 16C.285, subdivision 3; 47.59, subdivision 2; 47.60, subdivision 2; 47.601,

1.18 subdivisions 2, 6; 53.04, subdivision 3a; 56.131, subdivision 1; 116C.7792;

1.19 116J.8731, subdivision 5; 116J.8748, subdivisions 4, 6; 175.46, subdivisions 3,

1.20 13; 176.1812, subdivision 2; 176.231, subdivision 1; 177.27, subdivisions 2, 4, 7,

1.21 by adding subdivisions; 177.30; 177.32, subdivision 1; 179.86, subdivisions 1, 3;

1.22 179A.041, by adding a subdivision; 181.03, subdivision 1, by adding subdivisions;

1.23 181.032; 181.101; 181.635, subdivision 2; 181.942, subdivision 1; 182.659,

1.24 subdivision 8; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 216B.16,

1.25 subdivision 13, by adding a subdivision; 216B.1641; 216B.1645, subdivisions 1,

1.26 2; 216B.1691, subdivisions 1, 2b, 9, by adding a subdivision; 216B.2401; 216B.241,

1.27 subdivisions 1a, 1c, 1d, 1f, 2, 2b, 3, 5, 7, 9, by adding a subdivision; 216B.2422,

1.28 subdivisions 1, 2, 3, 4, 5, by adding subdivisions; 216B.243, subdivisions 3, 3a;

1.29 216B.62, subdivision 3b; 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4,

1.30 by adding a subdivision; 216F.04; 216F.08; 256J.561, by adding a subdivision;

1.31 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035, subdivisions 4, 12,

1.32 15, 20; 268.044, subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision

1.33 3; 268.051, subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07,

1.34 subdivision 1; 268.085, subdivisions 3, 3a, 8, 13a, by adding subdivisions; 268.095,

1.35 subdivisions 6, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18,

1.36 subdivisions 2b, 5; 268.19, subdivision 1; 290.0132, by adding a subdivision;

1.37 326B.082, subdivisions 6, 8, 12; 326B.103, subdivision 11; 326B.106, subdivision

1.38 9, by adding a subdivision; 326B.46, by adding a subdivision; 326B.475,

3.1 The amounts that may be spent for each
 3.2 purpose are specified in the following
 3.3 subdivisions.

3.4 **Subd. 2. Business and Community Development** 47,121,000 34,230,000

| | | | |
|-----|-------------------------------|-------------------|-------------------|
| 3.5 | <u>Appropriations by Fund</u> | | |
| 3.6 | <u>General</u> | <u>44,721,000</u> | <u>31,830,000</u> |
| 3.7 | <u>Remediation</u> | <u>700,000</u> | <u>700,000</u> |
| 3.8 | <u>Workforce</u> | | |
| 3.9 | <u>Development</u> | <u>1,700,000</u> | <u>1,700,000</u> |

3.10 (a) \$9,350,000 the first year is for:

3.11 (1) the greater Minnesota business
 3.12 development public infrastructure grant
 3.13 program under Minnesota Statutes, section
 3.14 116J.431;

3.15 (2) the spark program, formerly known as the
 3.16 business development competitive grant
 3.17 program;

3.18 (3) the community prosperity grant program;

3.19 (4) a grant to the Minnesota Design Center at
 3.20 the University of Minnesota for the greater
 3.21 Minnesota community design program; and

3.22 (5) a grant to Red Wing Ignite for economic
 3.23 development activities focused on technology
 3.24 and innovation in Southeastern Minnesota.

3.25 The commissioner has discretion to allocate
 3.26 this appropriation among the listed programs,
 3.27 including awarding zero funds to a listed
 3.28 program or grantee. The commissioner has
 3.29 discretion to stipulate reasonable terms for
 3.30 individual programs and grants. Of this
 3.31 amount, up to four percent is for
 3.32 administration and monitoring of the funded
 3.33 programs. This appropriation is available until
 3.34 June 30, 2022.

4.1 (b) \$2,500,000 each year is for the Minnesota
4.2 Innovation Collaborative. This is a onetime
4.3 appropriation and funds are available until
4.4 June 30, 2023. Of this amount:

4.5 (1) \$1,600,000 each year is for innovation
4.6 grants to eligible Minnesota entrepreneurs or
4.7 start-up businesses to assist with their
4.8 operating needs. Of this amount, five percent
4.9 is for the department's administrative costs;

4.10 (2) \$450,000 each year is for administration
4.11 of the Minnesota Innovation Collaborative;
4.12 and

4.13 (3) \$450,000 each year is for grantee activities
4.14 at the Minnesota Innovation Collaborative. Of
4.15 this amount, five percent is for the
4.16 department's administrative costs.

4.17 (c) \$1,772,000 each year is from the general
4.18 fund and \$700,000 each year is from the
4.19 remediation fund for contaminated site cleanup
4.20 and development grants under Minnesota
4.21 Statutes, sections 116J.551 to 116J.558. These
4.22 appropriations are available until spent.

4.23 (d) \$139,000 each year is for a grant to the
4.24 Rural Policy and Development Center under
4.25 Minnesota Statutes, section 116J.421.

4.26 (e) \$25,000 each year is for the administration
4.27 of state aid for the Destination Medical Center
4.28 under Minnesota Statutes, sections 469.40 to
4.29 469.47.

4.30 (f) \$875,000 each year is for the host
4.31 community economic development grant
4.32 program established in Minnesota Statutes,
4.33 section 116J.548.

5.1 (g) \$500,000 the first year and \$125,000 the
5.2 second year are for grants to the White Earth
5.3 Nation for the White Earth Nation Integrated
5.4 Business Development System to provide
5.5 business assistance with workforce
5.6 development, outreach, technical assistance,
5.7 infrastructure and operational support,
5.8 financing, and other business development
5.9 activities. This is a onetime appropriation.

5.10 (h) \$875,000 each year is for a grant to
5.11 Enterprise Minnesota, Inc. for the small
5.12 business growth acceleration program under
5.13 Minnesota Statutes, section 116O.115. This
5.14 is a onetime appropriation.

5.15 (i) \$300,000 each year is for a grant to
5.16 Enterprise Minnesota, Inc. to provide business
5.17 performance assessments to Minnesota
5.18 manufacturers with 50 or fewer employees,
5.19 with focus on very small and rural locations.
5.20 The assessment findings must position
5.21 Minnesota manufacturers to retain and recruit
5.22 employees and grow in their community. This
5.23 is a onetime appropriation.

5.24 (j) \$250,000 the first year is for a grant to the
5.25 Rondo Community Land Trust for
5.26 improvements to leased commercial space in
5.27 the Selby Milton Victoria Project that will
5.28 create long-term affordable space for small
5.29 businesses and for build-out and development
5.30 of new businesses.

5.31 (k) \$1,175,000 each year is for a grant to the
5.32 Metropolitan Economic Development
5.33 Association (MEDA) for statewide business
5.34 development and assistance services, including
5.35 services to entrepreneurs with businesses that

6.1 have the potential to create job opportunities
6.2 for unemployed and underemployed people,
6.3 with an emphasis on minority-owned
6.4 businesses. This is a onetime appropriation.

6.5 (l) \$2,865,000 the first year is for grants for
6.6 projects that support economic development
6.7 by increasing the availability of child care.
6.8 Eligible recipients for these grants are limited
6.9 to:

6.10 (1) WomenVenture;
6.11 (2) the Minnesota Initiative Foundations; and
6.12 (3) eligible applicants under the child care
6.13 economic development grant program.

6.14 The commissioner has discretion to allocate
6.15 the available grant funds among the listed
6.16 eligible recipients, including awarding zero
6.17 funds to a listed entity. The commissioner has
6.18 discretion to stipulate reasonable terms for
6.19 individual programs and grants. Of this
6.20 amount, up to four percent is for
6.21 administration and monitoring of the funded
6.22 programs. This appropriation is available until
6.23 June 30, 2021.

6.24 (m)(1) \$750,000 each year is for grants to the
6.25 Neighborhood Development Center for small
6.26 business programs. This is a onetime
6.27 appropriation.

6.28 (2) Of the amount appropriated in the first
6.29 year, \$150,000 is for outreach and training
6.30 activities outside the seven-county
6.31 metropolitan area, as defined in Minnesota
6.32 Statutes, section 473.121, subdivision 2.

7.1 (n)(1) \$50,000 the first year is for grants to
7.2 support broadband connections for coworking
7.3 spaces designed to foster start-up businesses.
7.4 Grant recipients must be located in an
7.5 unserved area or an underserved area for
7.6 broadband, as defined in Minnesota Statutes,
7.7 section 116J.394. Grant recipients must obtain
7.8 a 100 percent nonstate match to grant funds
7.9 in either cash or in-kind contributions, though
7.10 matching funds may be used for expenses of
7.11 the coworking space other than broadband.
7.12 This is a onetime appropriation.

7.13 (2) Within one year of receiving grant funds,
7.14 grant recipients must report to the
7.15 commissioner on the outcomes of the grant
7.16 program including but not limited to the
7.17 number of start-up businesses served and the
7.18 amount of local funds invested.

7.19 (o) \$6,772,000 each year is for the Minnesota
7.20 job creation fund under Minnesota Statutes,
7.21 section 116J.8748. Of this amount, the
7.22 commissioner of employment and economic
7.23 development may use up to three percent for
7.24 administrative expenses. In fiscal years 2022
7.25 and beyond, the base amount is \$5,500,000.
7.26 This appropriation is available until expended.

7.27 (p)(1) \$6,935,000 the first year and \$6,934,000
7.28 the second year are for the Minnesota
7.29 investment fund under Minnesota Statutes,
7.30 section 116J.8731. Of this amount, the
7.31 commissioner of employment and economic
7.32 development may use up to three percent for
7.33 administration and monitoring of the program.
7.34 In fiscal years 2022 and beyond, the base

8.1 amount is \$5,500,000. This appropriation is
8.2 available until expended.

8.3 (2) Of the amount appropriated in the first
8.4 year, \$2,000,000 is for a loan to a paper mill
8.5 in Duluth for a retrofit project that will support
8.6 the operation and manufacture of packaging
8.7 paper grades. The company that owns the
8.8 paper mill must spend \$20,000,000 on project
8.9 activities by December 31, 2020, in order to
8.10 be eligible to receive this loan. Loan funds
8.11 may be used for purchases of materials,
8.12 supplies, and equipment for the project and
8.13 are available from July 1, 2019, to July 30,
8.14 2021. The commissioner of employment and
8.15 economic development shall forgive 25
8.16 percent of the loan each year after the second
8.17 year during a five-year period if the mill has
8.18 retained at least 200 full-time equivalent
8.19 employees and has satisfied other performance
8.20 goals and contractual obligations as required
8.21 under Minnesota Statutes, section 116J.8731.

8.22 (q) \$1,000,000 each year is for the Minnesota
8.23 emerging entrepreneur loan program under
8.24 Minnesota Statutes, section 116M.18. Funds
8.25 available under this paragraph are for transfer
8.26 into the emerging entrepreneur program
8.27 special revenue fund account created under
8.28 Minnesota Statutes, chapter 116M, and are
8.29 available until expended. Of this amount, up
8.30 to four percent is for administration and
8.31 monitoring of the program.

8.32 (r) \$163,000 each year is for the Minnesota
8.33 Film and TV Board. The appropriation in each
8.34 year is available only upon receipt by the
8.35 board of \$1 in matching contributions of

9.1 money or in-kind contributions from nonstate
 9.2 sources for every \$3 provided by this
 9.3 appropriation, except that each year up to
 9.4 \$50,000 is available on July 1 even if the
 9.5 required matching contribution has not been
 9.6 received by that date.

9.7 (s) \$12,000 each year is for a grant to the
 9.8 Upper Minnesota Film Office.

9.9 (t) \$500,000 each year is from the general fund
 9.10 for a grant to the Minnesota Film and TV
 9.11 Board for the film production jobs program
 9.12 under Minnesota Statutes, section 116U.26.

9.13 This appropriation is available until June 30,
 9.14 2023.

9.15 (u) \$4,195,000 each year is for the Minnesota
 9.16 job skills partnership program under
 9.17 Minnesota Statutes, sections 116L.01 to
 9.18 116L.17. If the appropriation for either year
 9.19 is insufficient, the appropriation for the other
 9.20 year is available. This appropriation is
 9.21 available until expended.

9.22 (v) \$1,350,000 each year is from the
 9.23 workforce development fund for jobs training
 9.24 grants under Minnesota Statutes, section
 9.25 116L.42.

9.26 (w) \$350,000 each year is from the workforce
 9.27 development fund for metropolitan job training
 9.28 grants under Minnesota Statutes, section
 9.29 116L.43.

9.30 **Subd. 3. Workforce Development** 50,351,000 31,486,000

| | | |
|------|-------------------------------|-------------------|
| 9.31 | <u>Appropriations by Fund</u> | |
| 9.32 | <u>General</u> | <u>26,164,000</u> |
| 9.33 | <u>Workforce</u> | <u>7,500,000</u> |
| 9.34 | <u>Development</u> | <u>24,187,000</u> |
| | | <u>23,986,000</u> |

- 10.1 (a) \$250,000 each year is for pilot programs
10.2 in the workforce service areas to combine
10.3 career and higher education advising.
- 10.4 (b) \$500,000 each year is for rural career
10.5 counseling coordinator positions in the
10.6 workforce service areas and for the purposes
10.7 specified in Minnesota Statutes, section
10.8 116L.667.
- 10.9 (c) \$750,000 each year is for the women and
10.10 high-wage, high-demand, nontraditional jobs
10.11 grant program under Minnesota Statutes,
10.12 section 116L.99. Of this amount, up to five
10.13 percent is for administration and monitoring
10.14 of the program.
- 10.15 (d) \$700,000 the first year is for a grant to the
10.16 Washburn Center for Children to train and
10.17 hire additional children's mental health
10.18 treatment staff. Of this amount, \$200,000 is
10.19 for the pathways program to create fellowships
10.20 for professionals of color in children's mental
10.21 health treatment. This appropriation is
10.22 available until June 30, 2023.
- 10.23 (e)(1) \$300,000 the first year is for a grant to
10.24 the Regional Center for Entrepreneurial
10.25 Facilitation hosted by a county or higher
10.26 education institution. Funds available under
10.27 this paragraph must be used to provide
10.28 entrepreneur and small business development
10.29 direct professional business assistance services
10.30 in the following counties in Minnesota: Blue
10.31 Earth, Brown, Faribault, Le Sueur, Martin,
10.32 Nicollet, Sibley, Watonwan, and Waseca. For
10.33 the purposes of this paragraph, "direct
10.34 professional business assistance services" must
10.35 include but is not limited to payment of

11.1 overhead costs, pre-venture assistance for
11.2 individuals considering starting a business,
11.3 and services for underserved populations,
11.4 agricultural businesses, and students. This
11.5 appropriation is not available until the
11.6 commissioner determines that an equal amount
11.7 is committed from nonstate sources. This
11.8 appropriation is available until June 30, 2021.

11.9 (2) Grant recipients shall report to the
11.10 commissioner by February 1, 2021, and
11.11 include information on the number of
11.12 customers served in each county; the number
11.13 of businesses started, stabilized, or expanded;
11.14 the number of jobs created and retained; and
11.15 business success rates in each county. By April
11.16 1, 2021, the commissioner shall report the
11.17 information submitted by grant recipients to
11.18 the chairs and ranking minority members of
11.19 the standing committees of the house of
11.20 representatives and senate having jurisdiction
11.21 over economic development issues.

11.22 (f) \$20,000 in the first year is for preparing
11.23 the inventory of workforce development
11.24 programs under Minnesota Statutes, section
11.25 116L.35.

11.26 (g) \$1,500,000 each year is for a grant to
11.27 Summit Academy OIC to expand its
11.28 contextualized GED and employment
11.29 placement program and STEM program. This
11.30 is a onetime appropriation.

11.31 (h) \$485,000 the first year is for a grant to
11.32 Lifetrack, a St. Paul nonprofit organization,
11.33 for building maintenance. This appropriation
11.34 is available until June 30, 2023.

- 12.1 (i) \$1,000,000 each year is for a grant to
12.2 Youthprise to give grants through a
12.3 competitive process to community
12.4 organizations to provide economic
12.5 development services designed to enhance
12.6 long-term economic self-sufficiency in
12.7 communities with concentrated East African
12.8 populations. Such communities include but
12.9 are not limited to Faribault, Rochester, St.
12.10 Cloud, Moorhead, and Willmar. To the extent
12.11 possible, Youthprise must make at least 50
12.12 percent of these grants to organizations serving
12.13 communities located outside the seven-county
12.14 metropolitan area, as defined in Minnesota
12.15 Statutes, section 473.121, subdivision 2. This
12.16 is a onetime appropriation and is available
12.17 until June 30, 2022.
- 12.18 (j) \$500,000 each year is for a grant to the
12.19 YWCA of Minneapolis to provide
12.20 economically challenged individuals the jobs
12.21 skills training, career counseling, and job
12.22 placement assistance necessary to secure a
12.23 child development associate credential and to
12.24 have a career path in early childhood
12.25 education. This is a onetime appropriation.
- 12.26 (k) \$250,000 each year is for a grant to YWCA
12.27 St. Paul to provide job training services and
12.28 workforce development programs and
12.29 services, including job skills training and
12.30 counseling. This is a onetime appropriation.
- 12.31 (l) \$17,159,000 the first year is for:
12.32 (1) distribution to existing nonprofit and state
12.33 displaced homemaker programs under
12.34 Minnesota Statutes, section 116L.96;

- 13.1 (2) the special education employment pilot
13.2 project;
- 13.3 (3) a grant to Fathers Rise Together to study
13.4 the creation of a Duluth-Iron Range African
13.5 heritage hub;
- 13.6 (4) a grant to Hennepin County for the Cedar
13.7 Riverside Partnership;
- 13.8 (5) a grant to Goodwill-Easter Seals Minnesota
13.9 and its partners for the FATHER Project;
- 13.10 (6) competitive grants to eligible nonprofit
13.11 minority business development organizations
13.12 for statewide business development and
13.13 assistance services to minority-owned
13.14 businesses, including the creation of revolving
13.15 loan funds and operating support for the
13.16 organizations providing the services;
- 13.17 (7) a grant to Lifetrack for job training and
13.18 employment preparation for at-risk adults;
- 13.19 (8) the pathways to prosperity grant program
13.20 under Minnesota Statutes, section 116L.25;
- 13.21 (9) a grant to Better Futures Minnesota to
13.22 provide job skills training to individuals who
13.23 have been released from incarceration for a
13.24 felony-level offense and are no more than 12
13.25 months from the date of release; and
- 13.26 (10) a grant to the Women's Foundation of
13.27 Minnesota to create and administer a statewide
13.28 internship program for young women ages 17
13.29 to 24 who are American Indian, Asian, Black,
13.30 or Hispanic, that connects participants with
13.31 internships and subsidizes intern wages.
- 13.32 The commissioner has discretion to allocate
13.33 this appropriation among the listed programs

14.1 and grantees, including awarding zero funds
14.2 to a listed program or grantee. The
14.3 commissioner has discretion to stipulate
14.4 reasonable terms for individual programs and
14.5 grants. Of these amounts, up to four percent
14.6 is for administration and monitoring of the
14.7 funded programs. This is a onetime
14.8 appropriation and funds are available until
14.9 June 30, 2021.

14.10 (m) \$100,000 the first year is from the
14.11 workforce development fund for a grant to the
14.12 Cook County Higher Education Board to
14.13 provide educational programming and
14.14 academic support services to remote regions
14.15 in northeastern Minnesota. This appropriation
14.16 is in addition to other funds previously
14.17 appropriated to the board.

14.18 (n) \$500,000 each year is from the workforce
14.19 development fund for Propel Nonprofits,
14.20 formerly known as the Nonprofits Assistance
14.21 Fund, to make grants for infrastructure support
14.22 to small nonprofit organizations that serve
14.23 historically underserved cultural communities.

14.24 (o) \$1,000,000 each year is from the
14.25 workforce development fund for a grant to the
14.26 American Indian Opportunities and
14.27 Industrialization Center, in collaboration with
14.28 the Northwest Indian Community
14.29 Development Center, to reduce academic
14.30 disparities for American Indian students and
14.31 adults. This is a onetime appropriation. The
14.32 grant funds may be used to provide:

14.33 (1) student tutoring and testing support
14.34 services;

- 15.1 (2) training and employment placement in
15.2 information technology;
- 15.3 (3) training and employment placement within
15.4 trades;
- 15.5 (4) assistance in obtaining a GED;
- 15.6 (5) remedial training leading to enrollment
15.7 and to sustain enrollment in a postsecondary
15.8 higher education institution;
- 15.9 (6) real-time work experience in information
15.10 technology fields and in the trades;
- 15.11 (7) contextualized adult basic education;
- 15.12 (8) career and educational counseling for
15.13 clients with significant and multiple barriers;
15.14 and;
- 15.15 (9) reentry services and counseling for adults
15.16 and youth.
- 15.17 After notification to the chairs and minority
15.18 leads of the legislative committees with
15.19 jurisdiction over jobs and economic
15.20 development, the commissioner may transfer
15.21 this appropriation to the commissioner of
15.22 education.
- 15.23 (p) \$350,000 each year is from the workforce
15.24 development fund for a grant to the
15.25 International Institute of Minnesota. Grant
15.26 funds must be used for workforce training for
15.27 New Americans in industries in need of trained
15.28 workforce. This is a onetime appropriation.
- 15.29 (q) \$100,000 the first year is from the
15.30 workforce development fund for preparing a
15.31 plan to address barriers to employment for
15.32 persons with mental illness.

- 16.1 (r) \$1,000,000 each year is from the workforce
16.2 development fund for a grant to EMERGE
16.3 Community Development, in collaboration
16.4 with community partners, for services
16.5 targeting Minnesota communities with the
16.6 highest concentrations of African and
16.7 African-American joblessness, based on the
16.8 most recent census tract data, to provide
16.9 employment readiness training, credentialed
16.10 training placement, job placement and
16.11 retention services, supportive services for
16.12 hard-to-employ individuals, and a general
16.13 education development fast track and adult
16.14 diploma program. This is a onetime
16.15 appropriation.
- 16.16 (s) \$1,000,000 each year is from the workforce
16.17 development fund for a grant to the
16.18 Minneapolis Foundation for a strategic
16.19 intervention program designed to target and
16.20 connect program participants to meaningful,
16.21 sustainable living-wage employment. This is
16.22 a onetime appropriation.
- 16.23 (t) \$1,000,000 each year from the workforce
16.24 development fund is for a grant to the
16.25 Construction Careers Foundation for the
16.26 construction career pathway initiative to
16.27 provide year-round educational and
16.28 experiential learning opportunities for teens
16.29 and young adults under the age of 21 that lead
16.30 to careers in the construction industry. This is
16.31 a onetime appropriation. Grant funds must be
16.32 used to:
- 16.33 (1) increase construction industry exposure
16.34 activities for middle school and high school
16.35 youth, parents, and counselors to reach a more

17.1 diverse demographic and broader statewide
17.2 audience. This requirement includes, but is
17.3 not limited to, an expansion of programs to
17.4 provide experience in different crafts to youth
17.5 and young adults throughout the state;

17.6 (2) increase the number of high schools in
17.7 Minnesota offering construction classes during
17.8 the academic year that utilize a multicraft
17.9 curriculum;

17.10 (3) increase the number of summer internship
17.11 opportunities;

17.12 (4) enhance activities to support graduating
17.13 seniors in their efforts to obtain employment
17.14 in the construction industry;

17.15 (5) increase the number of young adults
17.16 employed in the construction industry and
17.17 ensure that they reflect Minnesota's diverse
17.18 workforce; and

17.19 (6) enhance an industrywide marketing
17.20 campaign targeted to youth and young adults
17.21 about the depth and breadth of careers within
17.22 the construction industry.

17.23 Programs and services supported by grant
17.24 funds must give priority to individuals and
17.25 groups that are economically disadvantaged
17.26 or historically underrepresented in the
17.27 construction industry, including but not limited
17.28 to women, veterans, and members of minority
17.29 and immigrant groups.

17.30 (u) \$1,000,000 each year is from the
17.31 workforce development fund for a grant to
17.32 Latino Communities United in Service
17.33 (CLUES) to expand culturally tailored
17.34 programs that address employment and

18.1 education skill gaps for working parents and
18.2 underserved youth by providing new job skills
18.3 training to stimulate higher wages for
18.4 low-income people, family support systems
18.5 designed to reduce intergenerational poverty,
18.6 and youth programming to promote
18.7 educational advancement and career pathways.
18.8 At least 50 percent of this amount must be
18.9 used for programming targeted at greater
18.10 Minnesota. This is a onetime appropriation.
18.11 (v) \$800,000 each year is from the workforce
18.12 development fund for performance grants
18.13 under Minnesota Statutes, section 116J.8747,
18.14 to Twin Cities R!SE to provide training to
18.15 hard-to-train individuals. This is a onetime
18.16 appropriation and funds are available until
18.17 June 30, 2022.
18.18 (w) \$5,939,000 the first year and \$5,938,000
18.19 the second year are from the workforce
18.20 development fund for:
18.21 (1) a grant to Minnesota Diversified Industries,
18.22 Inc., to provide progressive development and
18.23 employment opportunities for persons with
18.24 disabilities;
18.25 (2) the getting to work grant program under
18.26 Minnesota Statutes, section 116J.545;
18.27 (3) a grant to the Minnesota High Tech
18.28 Association to support SciTechsperience;
18.29 (4) the Opportunities Industrialization Center
18.30 programs;
18.31 (5) rural career counseling coordinator
18.32 positions in the workforce service areas and
18.33 for the purposes specified in Minnesota
18.34 Statutes, section 116L.667;

19.1 (6) the pathways to prosperity grant program
19.2 under Minnesota Statutes, section 116L.25;

19.3 (7) a grant to Bridges to Healthcare to provide
19.4 career education, wraparound support services,
19.5 and job skills training in high-demand health
19.6 care fields to low-income parents, nonnative
19.7 speakers of English, and other hard-to-train
19.8 individuals;

19.9 (8) a grant to Avivo to provide low-income
19.10 individuals with career education and job skills
19.11 training that are fully integrated with chemical
19.12 and mental health services; and

19.13 (9) a grant to Better Futures Minnesota to
19.14 provide job skills training to individuals who
19.15 have been released from incarceration for a
19.16 felony-level offense and are no more than 12
19.17 months from the date of release.

19.18 The commissioner has discretion to allocate
19.19 this appropriation among the listed programs
19.20 and grantees, including awarding zero funds
19.21 to a listed program or grantee. The
19.22 commissioner has discretion to stipulate
19.23 reasonable terms for individual programs and
19.24 grants. Of these amounts, up to four percent
19.25 is for administration and monitoring of the
19.26 funded programs. This is a onetime
19.27 appropriation and funds are available until
19.28 June 30, 2022.

19.29 (x) \$500,000 each year is from the workforce
19.30 development fund for competitive grants to
19.31 organizations providing services to relieve
19.32 economic disparities in the Southeast Asian
19.33 community through workforce recruitment,
19.34 development, job creation, assistance of

20.1 smaller organizations to increase capacity, and
20.2 outreach. Of this amount, up to five percent
20.3 is for administration and monitoring of the
20.4 program.

20.5 (y) \$1,000,000 each year is from the
20.6 workforce development fund for a grant to the
20.7 Hmong American Partnership, in collaboration
20.8 with community partners, for services
20.9 targeting Minnesota communities with the
20.10 highest concentrations of Southeast Asian
20.11 joblessness, based on the most recent census
20.12 tract data, to provide employment readiness
20.13 training, credentialed training placement, job
20.14 placement and retention services, supportive
20.15 services for hard-to-employ individuals, and
20.16 a general education development fast track
20.17 and adult diploma program. This is a onetime
20.18 appropriation.

20.19 (z) \$1,000,000 each year is for a competitive
20.20 grant program to provide grants to
20.21 organizations that provide support services for
20.22 individuals, such as job training, employment
20.23 preparation, internships, job assistance to
20.24 parents, financial literacy, academic and
20.25 behavioral interventions for low-performing
20.26 students, and youth intervention. Grants made
20.27 under this section must focus on low-income
20.28 communities, young adults from families with
20.29 a history of intergenerational poverty, and
20.30 communities of color. Of this amount, up to
20.31 four percent is for administration and
20.32 monitoring of the program.

20.33 (aa) \$1,000,000 each year is for a grant to
20.34 Ujamaa Place for job training, employment
20.35 preparation, internships, education, training

21.1 in vocational trades, housing, and
21.2 organizational capacity building. This is a
21.3 onetime appropriation.

21.4 (bb) \$750,000 each year is from the general
21.5 fund and \$4,848,000 each year is from the
21.6 workforce development fund for the
21.7 youth-at-work competitive grant program
21.8 under Minnesota Statutes, section 116L.562.
21.9 Of this amount, up to five percent is for
21.10 administration and monitoring of the youth
21.11 workforce development competitive grant
21.12 program. All grant awards shall be for two
21.13 consecutive years. Grants shall be awarded in
21.14 the first year. This is a onetime appropriation.

21.15 (cc) \$5,050,000 each year is from the
21.16 workforce development fund for:

21.17 (1) the youthbuild program under Minnesota
21.18 Statutes, sections 116L.361 to 116L.366;

21.19 (2) the Minnesota youth program under
21.20 Minnesota Statutes, sections 116L.56 and
21.21 116L.561;

21.22 (3) a grant to Big Brothers, Big Sisters of the
21.23 Greater Twin Cities for workforce readiness,
21.24 employment exploration, and skills
21.25 development for youth ages 12 to 21;

21.26 (4) a grant to the Minnesota Alliance of Boys
21.27 and Girls Clubs to administer a statewide
21.28 project of youth job skills and career
21.29 development;

21.30 (5) a grant to the Minneapolis Park and
21.31 Recreation Board for its youth workforce
21.32 employment program Learn to Earn/Teen
21.33 Teamworks; and

22.1 (6) a grant to Youthprise for Opportunity
 22.2 Reboot, a statewide initiative to address the
 22.3 economic challenges of disconnected youth.
 22.4 The commissioner has discretion to allocate
 22.5 these appropriations among the listed
 22.6 programs and grantees, including awarding
 22.7 zero funds to a listed program or grantee. The
 22.8 commissioner has discretion to stipulate
 22.9 reasonable terms for individual programs and
 22.10 grants. Of these amounts, up to four percent
 22.11 is for administration and monitoring of the
 22.12 funded programs. This is a onetime
 22.13 appropriation and funds are available until
 22.14 June 30, 2021.

22.15 **Subd. 4. General Support Services** 4,726,000 4,726,000

| | | | | | |
|-------|-------------------------------|------------------|--|------------------|--|
| | <u>Appropriations by Fund</u> | | | | |
| 22.16 | <u>General Fund</u> | <u>4,671,000</u> | | <u>4,671,000</u> | |
| 22.17 | <u>Workforce</u> | | | | |
| 22.18 | <u>Development</u> | <u>55,000</u> | | <u>55,000</u> | |
| 22.19 | | | | | |

22.20 (a) \$250,000 each year is for the publication,
 22.21 dissemination, and use of labor market
 22.22 information under Minnesota Statutes, section
 22.23 116J.401.

22.24 (b) \$1,269,000 each year is for transfer to the
 22.25 Minnesota Housing Finance Agency for
 22.26 operating the Olmstead Compliance Office.

22.27 (c) \$500,000 each year is for the
 22.28 capacity-building grant program to assist
 22.29 nonprofit organizations offering or seeking to
 22.30 offer workforce development and economic
 22.31 development programming.

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

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

- 23.1 (b) \$180,000 each year is for the Invest
- 23.2 Minnesota marketing initiative in Minnesota
- 23.3 Statutes, section 116J.9781.
- 23.4 (c) \$270,000 each year is for the Minnesota
- 23.5 Trade Offices under Minnesota Statutes,
- 23.6 section 116J.978.
- 23.7 (d) \$50,000 each year is for the Trade Policy
- 23.8 Advisory Council under Minnesota Statutes,
- 23.9 section 116J.9661.
- 23.10 **Subd. 6. Vocational Rehabilitation** 37,941,000 37,941,000
- 23.11 Appropriations by Fund
- 23.12 General 30,111,000 30,111,000
- 23.13 Workforce
- 23.14 Development 7,830,000 7,830,000
- 23.15 (a) \$14,800,000 each year is for the state's
- 23.16 vocational rehabilitation program under
- 23.17 Minnesota Statutes, chapter 268A.
- 23.18 (b) \$8,995,000 each year from the general fund
- 23.19 and \$6,830,000 each year from the workforce
- 23.20 development fund is for extended employment
- 23.21 services for persons with severe disabilities
- 23.22 under Minnesota Statutes, section 268A.15.
- 23.23 Of the general fund amount appropriated,
- 23.24 \$2,000,000 each year is for rate increases to
- 23.25 providers of extended employment services
- 23.26 for persons with severe disabilities under
- 23.27 Minnesota Statutes, section 268A.15.
- 23.28 (c) \$2,555,000 each year is for grants to
- 23.29 programs that provide employment support
- 23.30 services to persons with mental illness under
- 23.31 Minnesota Statutes, sections 268A.13 and
- 23.32 268A.14.
- 23.33 (d) \$3,761,000 each year is for grants to
- 23.34 centers for independent living under

24.1 Minnesota Statutes, section 268A.11. Of these
 24.2 amounts, at least \$100,000 each year must be
 24.3 used for providing services to veterans.

24.4 (e) \$1,000,000 each year is from the workforce
 24.5 development fund for grants under Minnesota
 24.6 Statutes, section 268A.16, for employment
 24.7 services for persons, including transition-age
 24.8 youth, who are deaf, deafblind, or
 24.9 hard-of-hearing. If the amount in the first year
 24.10 is insufficient, the amount in the second year
 24.11 is available in the first year.

| | | | |
|-------|---|------------------|------------------|
| 24.12 | <u>Subd. 7. Services for the Blind</u> | <u>6,425,000</u> | <u>6,425,000</u> |
|-------|---|------------------|------------------|

24.13 Of this amount, \$500,000 each year is for
 24.14 senior citizens who are becoming blind. At
 24.15 least one-half of the funds for this purpose
 24.16 must be used to provide training services for
 24.17 seniors who are becoming blind. Training
 24.18 services must provide independent living skills
 24.19 to seniors who are becoming blind to allow
 24.20 them to continue to live independently in their
 24.21 homes.

| | | | |
|-------|--|-------------------|-------------------|
| 24.22 | <u>Subd. 8. Paid Family and Medical Leave</u> | <u>10,549,000</u> | <u>21,975,000</u> |
|-------|--|-------------------|-------------------|

24.23 (a) \$10,549,000 the first year and \$21,442,000
 24.24 the second year are for the purposes of
 24.25 Minnesota Statutes, chapter 268B.
 24.26 Unexpended funds appropriated in the first
 24.27 year are available in the second year. In fiscal
 24.28 year 2022, the base amount is \$14,596,000;
 24.29 in fiscal year 2023, the base amount is
 24.30 \$13,681,000; in fiscal year 2024, the base
 24.31 amount is \$11,520,000; and in fiscal year 2025
 24.32 and beyond, the base amount is \$0.

24.33 (b) \$533,000 the second year is for the purpose
 24.34 of outreach, education, and technical

26.1 The amounts that may be spent for each
 26.2 purpose are specified in the following
 26.3 subdivisions.

26.4 **Subd. 2. General Support** 8,039,000 8,339,000

| | | | |
|-------|-------------------------------|------------------|------------------|
| 26.5 | <u>Appropriations by Fund</u> | | |
| 26.6 | <u>General</u> | <u>1,250,000</u> | <u>1,550,000</u> |
| 26.7 | <u>Workers'</u> | | |
| 26.8 | <u>Compensation</u> | <u>6,039,000</u> | <u>6,039,000</u> |
| 26.9 | <u>Workforce</u> | | |
| 26.10 | <u>Development Fund</u> | <u>750,000</u> | <u>750,000</u> |

26.11 (a) Except as provided in paragraphs (b) and
 26.12 (c), this appropriation is from the workers'
 26.13 compensation fund.

26.14 (b) \$1,250,000 the first year and \$1,550,000
 26.15 the second year are from the general fund for
 26.16 system upgrades. This is a onetime
 26.17 appropriation and funds are available until
 26.18 June 30, 2023. This appropriation includes
 26.19 funds for information technology project
 26.20 services and support subject to Minnesota
 26.21 Statutes, section 16E.0466. Any ongoing
 26.22 information technology costs must be
 26.23 incorporated into the service level agreement
 26.24 and must be paid to the Office of MN.IT
 26.25 Services by the commissioner of labor and
 26.26 industry under the rates and mechanism
 26.27 specified in that agreement.

26.28 (c) \$750,000 each year is from the workforce
 26.29 development fund to administer the youth
 26.30 skills training program and make grant awards
 26.31 under Minnesota Statutes, section 175.46.

26.32 **Subd. 3. Labor Standards and Apprenticeship** 9,590,000 11,429,000

| | | | |
|------|-------------------------------|------------------|------------------|
| 27.1 | <u>Appropriations by Fund</u> | | |
| 27.2 | <u>General</u> | <u>7,806,000</u> | <u>8,895,000</u> |
| 27.3 | <u>Workforce</u> | | |
| 27.4 | <u>Development</u> | <u>1,784,000</u> | <u>1,784,000</u> |

27.5 (a) \$2,046,000 each year is for wage theft
 27.6 prevention.

27.7 (b) \$3,866,000 the first year and \$4,072,000
 27.8 the second year are for enforcement and other
 27.9 duties regarding earned sick and safe time
 27.10 under Minnesota Statutes, section 181.9445
 27.11 and chapter 177. In fiscal year 2022, the base
 27.12 amount is \$2,874,000 and in fiscal year 2023
 27.13 and beyond, the base amount is \$2,873,000.

27.14 (c) \$214,000 the first year and \$377,000 the
 27.15 second year are for the purpose of outreach,
 27.16 education, and technical assistance for
 27.17 employees, employers, and self-employed
 27.18 individuals regarding Minnesota Statutes,
 27.19 chapter 268B. This outreach must include
 27.20 efforts to notify self-employed individuals of
 27.21 their ability to elect coverage under Minnesota
 27.22 Statutes, section 268B.11, and provide them
 27.23 with technical assistance in doing so.

27.24 Unexpended amounts appropriated the first
 27.25 year are available in the second year. This is
 27.26 a onetime appropriation.

27.27 (d) \$382,000 the first year and \$1,101,000 the
 27.28 second year are for enforcement duties and
 27.29 related administration under Minnesota
 27.30 Statutes, chapter 268B. This is a onetime
 27.31 appropriation.

27.32 (e) \$151,000 each year is from the workforce
 27.33 development fund for prevailing wage
 27.34 enforcement.

28.1 (f) \$1,133,000 each year is from the workforce
 28.2 development fund for the apprenticeship
 28.3 program under Minnesota Statutes, chapter
 28.4 178.

28.5 (g) \$100,000 each year is from the workforce
 28.6 development fund for labor education and
 28.7 advancement program grants under Minnesota
 28.8 Statutes, section 178.11, to expand and
 28.9 promote registered apprenticeship training for
 28.10 minorities and women.

28.11 (h) \$400,000 each year is from the workforce
 28.12 development fund for grants to the
 28.13 Construction Careers Foundation for the
 28.14 Helmets to Hardhats Minnesota initiative.
 28.15 Grant funds must be used to recruit, retain,
 28.16 assist, and support National Guard, reserve,
 28.17 and active duty military members' and
 28.18 veterans' participation into apprenticeship
 28.19 programs registered with the Department of
 28.20 Labor and Industry and connect them with
 28.21 career training and employment in the building
 28.22 and construction industry. The recruitment,
 28.23 selection, employment, and training must be
 28.24 without discrimination due to race, color,
 28.25 creed, religion, national origin, sex, sexual
 28.26 orientation, marital status, physical or mental
 28.27 disability, receipt of public assistance, or age.

28.28 (i) In fiscal years 2020 and 2021 the
 28.29 commissioner of labor and industry shall
 28.30 utilize funds in the contractor recovery fund
 28.31 for a statewide consumer awareness campaign
 28.32 highlighting the importance of hiring licensed
 28.33 contractors as well as the consequences of
 28.34 hiring unlicensed contractors.

28.35 **Subd. 4. Workers' Compensation** 14,882,000 11,882,000

29.1 \$3,000,000 the first year is from the workers'
 29.2 compensation fund for workers' compensation
 29.3 system upgrades. This amount is available
 29.4 until June 30, 2023. This is a onetime
 29.5 appropriation.

29.6 This appropriation includes funds for
 29.7 information technology project services and
 29.8 support subject to the provisions of Minnesota
 29.9 Statutes, section 16E.0466. Any ongoing
 29.10 information technology costs must be
 29.11 incorporated into the service level agreement
 29.12 and must be paid to the Office of MN.IT
 29.13 Services by the commissioner of labor and
 29.14 industry under the rates and mechanism
 29.15 specified in that agreement.

| | | | | |
|-------|---|------------------|--|------------------|
| 29.16 | <u>Subd. 5. Workplace Safety</u> | <u>4,167,000</u> | | <u>4,167,000</u> |
|-------|---|------------------|--|------------------|

29.17 This appropriation is from the workers'
 29.18 compensation fund.

| | | | | |
|-------|---|---------------------|-----------|------------------|
| 29.19 | <u>Sec. 4. WORKERS' COMPENSATION COURT</u> | | | |
| 29.20 | <u>OF APPEALS</u> | <u>\$ 2,222,000</u> | <u>\$</u> | <u>2,283,000</u> |

29.21 This appropriation is from the workers'
 29.22 compensation fund.

| | | | | |
|-------|--|---------------------|-----------|------------------|
| 29.23 | <u>Sec. 5. BUREAU OF MEDIATION SERVICES</u> | <u>\$ 3,076,000</u> | <u>\$</u> | <u>3,076,000</u> |
|-------|--|---------------------|-----------|------------------|

29.24 (a) \$560,000 each year is for purposes of the
 29.25 Public Employment Relations Board under
 29.26 Minnesota Statutes, section 179A.041.

29.27 (b) \$68,000 each year is from the general fund
 29.28 for grants to area labor management
 29.29 committees. Grants may be awarded for a
 29.30 12-month period beginning July 1 each year.
 29.31 Any unencumbered balance remaining at the
 29.32 end of the first year does not cancel but is
 29.33 available for the second year.

31.1 (c) \$200,000 each year is to administer the
 31.2 requirements of Minnesota Statutes, chapter
 31.3 58B. This is a onetime appropriation.

31.4 **Subd. 3. Administrative Services** 9,645,000 8,955,000

31.5 (a) \$384,000 each year is for additional
 31.6 compliance efforts with unclaimed property.
 31.7 The commissioner may issue contracts for
 31.8 these services.

31.9 (b) \$100,000 each year is for the support of
 31.10 broadband development.

31.11 (c) \$33,000 each year is for rulemaking and
 31.12 administration under Minnesota Statutes,
 31.13 section 80A.461.

31.14 (d) \$960,000 the first year is to pay the award
 31.15 in the SafeLite Group, Inc., litigation.

31.16 **Subd. 4. Telecommunications** 3,097,000 3,107,000

| <u>Appropriations by Fund</u> | | | |
|-------------------------------|------------------|------------------|--|
| 31.17 <u>General</u> | <u>1,037,000</u> | <u>1,047,000</u> | |
| 31.18 <u>Special Revenue</u> | <u>2,060,000</u> | <u>2,060,000</u> | |

31.19 \$2,060,000 each year is from the
 31.20 telecommunication access Minnesota fund
 31.21 account in the special revenue fund for the
 31.22 following transfers. This appropriation is
 31.23 added to the department's base:
 31.24

31.25 (1) \$1,620,000 each year is to the
 31.26 commissioner of human services to
 31.27 supplement the ongoing operational expenses
 31.28 of the Commission of the Deaf, DeafBlind and
 31.29 Hard of Hearing;

31.30 (2) \$290,000 each year is to the chief
 31.31 information officer for the purpose of
 31.32 coordinating technology accessibility and
 31.33 usability;

| | | | |
|-------|---|------------------|------------------|
| 32.1 | <u>(3) \$100,000 each year is to the Legislative</u> | | |
| 32.2 | <u>Coordinating Commission for captioning of</u> | | |
| 32.3 | <u>legislative coverage. This transfer is subject</u> | | |
| 32.4 | <u>to Minnesota Statutes, section 16A.281; and</u> | | |
| 32.5 | <u>(4) \$50,000 each year is to the Office of</u> | | |
| 32.6 | <u>MN.IT Services for a consolidated access fund</u> | | |
| 32.7 | <u>to provide grants or services to other state</u> | | |
| 32.8 | <u>agencies related to accessibility of their</u> | | |
| 32.9 | <u>web-based services.</u> | | |
| 32.10 | Subd. 5. <u>Enforcement</u> | <u>6,417,000</u> | <u>6,507,000</u> |
| 32.11 | <u>Appropriations by Fund</u> | | |
| 32.12 | <u>General</u> | <u>6,217,000</u> | <u>6,307,000</u> |
| 32.13 | <u>Workers'</u> | | |
| 32.14 | <u>Compensation</u> | <u>200,000</u> | <u>200,000</u> |
| 32.15 | <u>(a) \$279,000 each year is for health care</u> | | |
| 32.16 | <u>enforcement.</u> | | |
| 32.17 | <u>(b) \$250,000 each year is for a statewide</u> | | |
| 32.18 | <u>education and outreach campaign to protect</u> | | |
| 32.19 | <u>seniors, meaning those 60 years of age or</u> | | |
| 32.20 | <u>older, vulnerable adults, as defined in</u> | | |
| 32.21 | <u>Minnesota Statutes, section 626.5572,</u> | | |
| 32.22 | <u>subdivision 21, and their caregivers from</u> | | |
| 32.23 | <u>financial fraud and exploitation. The education</u> | | |
| 32.24 | <u>and outreach campaign must include but is not</u> | | |
| 32.25 | <u>limited to the dissemination of information</u> | | |
| 32.26 | <u>through television, print, or other media,</u> | | |
| 32.27 | <u>training and outreach to senior living facilities,</u> | | |
| 32.28 | <u>and the creation of a senior fraud toolkit. This</u> | | |
| 32.29 | <u>is a onetime appropriation.</u> | | |
| 32.30 | Subd. 6. <u>Insurance</u> | <u>5,583,000</u> | <u>5,640,000</u> |
| 32.31 | <u>Appropriations by Fund</u> | | |
| 32.32 | <u>General</u> | <u>5,025,000</u> | <u>5,081,000</u> |
| 32.33 | <u>Workers'</u> | | |
| 32.34 | <u>Compensation</u> | <u>558,000</u> | <u>559,000</u> |

33.1 (a) \$642,000 each year is for health insurance
 33.2 rate review staffing.

33.3 (b) \$412,000 each year is for actuarial work
 33.4 to prepare for implementation of
 33.5 principle-based reserves.

| | | | | |
|------|--|------------------|----------------------|-----------------------|
| 33.6 | Sec. 7. <u>MINNESOTA MANAGEMENT AND</u> | | | |
| 33.7 | <u>BUDGET</u> | <u>\$</u> | <u>51,000</u> | <u>\$</u> |
| | | | | <u>106,000</u> |

33.8 (a) \$29,000 the first year and \$13,000 the
 33.9 second year are for implementation and costs
 33.10 associated with paid family and medical leave
 33.11 under Minnesota Statutes, chapter 268B.

33.12 (b) \$22,000 the first year and \$93,000 the
 33.13 second year are for costs associated with
 33.14 earned sick and safe time under Minnesota
 33.15 Statutes, section 181.9445.

| | | | | |
|-------|--|------------------|-------------------|----------------------|
| 33.16 | Sec. 8. <u>REVENUE DEPARTMENT</u> | | | |
| | | <u>\$</u> | <u>-0-</u> | <u>\$</u> |
| | | | | <u>91,000</u> |

33.17 \$91,000 the second year is for implementation
 33.18 and costs associated with paid family and
 33.19 medical leave under Minnesota Statutes,
 33.20 chapter 268B. In fiscal year 2022, the base
 33.21 amount is \$149,000 and in fiscal year 2023
 33.22 and beyond, the base amount is \$117,000.

| | | | | |
|-------|-------------------------------------|------------------|-------------------|----------------------|
| 33.23 | Sec. 9. <u>SUPREME COURT</u> | | | |
| | | <u>\$</u> | <u>-0-</u> | <u>\$</u> |
| | | | | <u>15,000</u> |

33.24 \$15,000 the second year is for responsibilities
 33.25 related to Minnesota Statutes, chapter 268B.
 33.26 This is a onetime appropriation.

| | | | | |
|-------|---|------------------|-----------------------|-----------------------|
| 33.27 | Sec. 10. <u>ATTORNEY GENERAL</u> | | | |
| | | <u>\$</u> | <u>654,000</u> | <u>\$</u> |
| | | | | <u>654,000</u> |

33.28 \$654,000 each year is for wage theft
 33.29 prevention.

ARTICLE 2

FAMILY AND MEDICAL BENEFITS

34.1
34.2
34.3 Section 1. Minnesota Statutes 2018, section 13.719, is amended by adding a subdivision
34.4 to read:

34.5 Subd. 7. **Family and medical insurance data.** (a) For the purposes of this subdivision,
34.6 the terms used have the meanings given them in section 268B.01.

34.7 (b) Data on applicants, family members, or employers under chapter 268B are private
34.8 or nonpublic data, provided that the department may share data collected from applicants
34.9 with employers or health care providers to the extent necessary to meet the requirements
34.10 of chapter 268B or other applicable law.

34.11 (c) The department and the Department of Labor and Industry may share data classified
34.12 under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or
34.13 the Department of Labor and Industry's enforcement authority over chapter 268B, as provided
34.14 in section 177.27.

34.15 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 4, is amended to read:

34.16 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
34.17 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
34.18 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
34.19 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and
34.20 268B.12, subdivision 2, or with any rule promulgated under section 177.28. The
34.21 commissioner shall issue an order requiring an employer to comply with sections 177.41
34.22 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is
34.23 repeated if at any time during the two years that preceded the date of violation, the
34.24 commissioner issued an order to the employer for violation of sections 177.41 to 177.435
34.25 and the order is final or the commissioner and the employer have entered into a settlement
34.26 agreement that required the employer to pay back wages that were required by sections
34.27 177.41 to 177.435. The department shall serve the order upon the employer or the employer's
34.28 authorized representative in person or by certified mail at the employer's place of business.
34.29 An employer who wishes to contest the order must file written notice of objection to the
34.30 order with the commissioner within 15 calendar days after being served with the order. A
34.31 contested case proceeding must then be held in accordance with sections 14.57 to 14.69.
34.32 If, within 15 calendar days after being served with the order, the employer fails to file a

35.1 written notice of objection with the commissioner, the order becomes a final order of the
35.2 commissioner.

35.3 Sec. 3. Minnesota Statutes 2018, section 181.032, is amended to read:

35.4 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.**

35.5 (a) At the end of each pay period, the employer shall provide each employee an earnings
35.6 statement, either in writing or by electronic means, covering that pay period. An employer
35.7 who chooses to provide an earnings statement by electronic means must provide employee
35.8 access to an employer-owned computer during an employee's regular working hours to
35.9 review and print earnings statements, and must make statements available for review or
35.10 printing for a period of at least 12 months.

35.11 (b) The earnings statement may be in any form determined by the employer but must
35.12 include:

35.13 (1) the name of the employee;

35.14 (2) the hourly rate of pay (if applicable);

35.15 (3) the total number of hours worked by the employee unless exempt from chapter 177;

35.16 (4) the total amount of gross pay earned by the employee during that period;

35.17 (5) a list of deductions made from the employee's pay;

35.18 (6) any amount deducted by the employer under section 268B.12, subdivision 2, and
35.19 the amount paid by the employer based on the employee's wages under section 268B.12,
35.20 subdivision 1;

35.21 ~~(6)~~ (7) the net amount of pay after all deductions are made;

35.22 ~~(7)~~ (8) the date on which the pay period ends; and

35.23 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
35.24 from the legal name.

35.25 (c) An employer must provide earnings statements to an employee in writing, rather
35.26 than by electronic means, if the employer has received at least 24 hours notice from an
35.27 employee that the employee would like to receive earnings statements in written form. Once
35.28 an employer has received notice from an employee that the employee would like to receive
35.29 earnings statements in written form, the employer must comply with that request on an
35.30 ongoing basis.

36.1 Sec. 4. Minnesota Statutes 2018, section 268.19, subdivision 1, is amended to read:

36.2 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
36.3 any person under the administration of the Minnesota Unemployment Insurance Law are
36.4 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
36.5 subdivisions 9 and 12, and may not be disclosed except according to a district court order
36.6 or section 13.05. A subpoena is not considered a district court order. These data may be
36.7 disseminated to and used by the following agencies without the consent of the subject of
36.8 the data:

36.9 (1) state and federal agencies specifically authorized access to the data by state or federal
36.10 law;

36.11 (2) any agency of any other state or any federal agency charged with the administration
36.12 of an unemployment insurance program;

36.13 (3) any agency responsible for the maintenance of a system of public employment offices
36.14 for the purpose of assisting individuals in obtaining employment;

36.15 (4) the public authority responsible for child support in Minnesota or any other state in
36.16 accordance with section 256.978;

36.17 (5) human rights agencies within Minnesota that have enforcement powers;

36.18 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
36.19 laws;

36.20 (7) public and private agencies responsible for administering publicly financed assistance
36.21 programs for the purpose of monitoring the eligibility of the program's recipients;

36.22 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the
36.23 Department of Commerce for uses consistent with the administration of their duties under
36.24 Minnesota law;

36.25 (9) the Department of Human Services and the Office of Inspector General and its agents
36.26 within the Department of Human Services, including county fraud investigators, for
36.27 investigations related to recipient or provider fraud and employees of providers when the
36.28 provider is suspected of committing public assistance fraud;

36.29 (10) local and state welfare agencies for monitoring the eligibility of the data subject
36.30 for assistance programs, or for any employment or training program administered by those
36.31 agencies, whether alone, in combination with another welfare agency, or in conjunction
36.32 with the department or to monitor and evaluate the statewide Minnesota family investment

37.1 program by providing data on recipients and former recipients of food stamps or food
37.2 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under
37.3 chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under
37.4 chapter 256D;

37.5 (11) local and state welfare agencies for the purpose of identifying employment, wages,
37.6 and other information to assist in the collection of an overpayment debt in an assistance
37.7 program;

37.8 (12) local, state, and federal law enforcement agencies for the purpose of ascertaining
37.9 the last known address and employment location of an individual who is the subject of a
37.10 criminal investigation;

37.11 (13) the United States Immigration and Customs Enforcement has access to data on
37.12 specific individuals and specific employers provided the specific individual or specific
37.13 employer is the subject of an investigation by that agency;

37.14 (14) the Department of Health for the purposes of epidemiologic investigations;

37.15 (15) the Department of Corrections for the purposes of case planning and internal research
37.16 for preprobation, probation, and postprobation employment tracking of offenders sentenced
37.17 to probation and preconfinement and postconfinement employment tracking of committed
37.18 offenders;

37.19 (16) the state auditor to the extent necessary to conduct audits of job opportunity building
37.20 zones as required under section 469.3201; ~~and~~

37.21 (17) the Office of Higher Education for purposes of supporting program improvement,
37.22 system evaluation, and research initiatives including the Statewide Longitudinal Education
37.23 Data System; and

37.24 (18) the Family and Medical Benefits Division of the Department of Employment and
37.25 Economic Development to be used as necessary to administer chapter 268B.

37.26 (b) Data on individuals and employers that are collected, maintained, or used by the
37.27 department in an investigation under section 268.182 are confidential as to data on individuals
37.28 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
37.29 and 13, and must not be disclosed except under statute or district court order or to a party
37.30 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

37.31 (c) Data gathered by the department in the administration of the Minnesota unemployment
37.32 insurance program must not be made the subject or the basis for any suit in any civil
37.33 proceedings, administrative or judicial, unless the action is initiated by the department.

38.1 Sec. 5. **[268B.01] DEFINITIONS.**

38.2 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section
38.3 have the meanings given them.

38.4 Subd. 2. **Account.** "Account" means the family and medical benefit insurance account
38.5 in the special revenue fund in the state treasury under section 268B.02.

38.6 Subd. 3. **Applicant.** "Applicant" means an individual applying for leave with benefits
38.7 under this chapter.

38.8 Subd. 4. **Applicant's average weekly wage.** "Applicant's average weekly wage" means
38.9 an amount equal to the applicant's high quarter wage credits divided by 13.

38.10 Subd. 5. **Benefit.** "Benefit" or "benefits" mean monetary payments under this chapter
38.11 associated with qualifying bonding, family care, pregnancy, serious health condition,
38.12 qualifying exigency, or safety leave events, unless otherwise indicated by context.

38.13 Subd. 6. **Benefit year.** "Benefit year" means a period of 52 consecutive calendar weeks
38.14 beginning on the first day of a leave approved for benefits under this chapter.

38.15 Subd. 7. **Bonding.** "Bonding" means time spent by an applicant who is a biological,
38.16 adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the
38.17 child's birth, adoption, or placement.

38.18 Subd. 8. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period
38.19 corresponding to a single calendar date.

38.20 Subd. 9. **Calendar week.** "Calendar week" means a period of seven consecutive calendar
38.21 days.

38.22 Subd. 10. **Commissioner.** "Commissioner" means the commissioner of employment
38.23 and economic development, unless otherwise indicated by context.

38.24 Subd. 11. **Continuing treatment.** A serious health condition involving continuing
38.25 treatment by a health care provider includes any one or more of the following:

38.26 (1) a period of incapacity of more than three consecutive, full calendar days, and any
38.27 subsequent treatment or period of incapacity relating to the same condition, that also involves:

38.28 (i) treatment two or more times within 30 calendar days of the first day of incapacity,
38.29 unless extenuating circumstances exist, by a health care provider; or

38.30 (ii) treatment by a health care provider on at least one occasion that results in a regimen
38.31 of continuing treatment under the supervision of the health care provider;

39.1 (2) any period of incapacity or treatment for such incapacity due to a chronic serious
39.2 health condition. A chronic serious health condition is one that:

39.3 (i) requires periodic visits, defined as at least twice per year, for treatment for the
39.4 incapacity by a health care provider;

39.5 (ii) continues over an extended period of time, including recurring episodes of a single
39.6 underlying condition; and

39.7 (iii) may cause episodic rather than a continuing period of incapacity;

39.8 (3) a period of incapacity that is long-term due to a condition for which treatment may
39.9 not be effective, with the employee or family member under the supervision of, but not
39.10 necessarily receiving active treatment by a health care provider; and

39.11 (4) any period of absence to receive multiple treatments by a health care provider,
39.12 including any period of recovery therefrom, for:

39.13 (i) restorative surgery after an accident or other injury; or

39.14 (ii) a condition that would likely result in a period of incapacity of more than seven
39.15 consecutive, calendar days in the absence of medical intervention or treatment, such as
39.16 cancer, severe arthritis, or kidney disease.

39.17 Subd. 12. **Covered employment.** "Covered employment" has the meaning given in
39.18 section 268.035, subdivision 12.

39.19 Subd. 13. **Day.** "Day" means an eight-hour period.

39.20 Subd. 14. **Department.** "Department" means the Department of Employment and
39.21 Economic Development, unless otherwise indicated by context.

39.22 Subd. 15. **Employee.** "Employee" means an individual for whom premiums are paid on
39.23 wages under this chapter.

39.24 Subd. 16. **Employer.** "Employer" means a person or entity, other than an employee,
39.25 required to pay premiums under this chapter, except that a self-employed individual who
39.26 has elected and been approved for coverage under section 268B.11 is not considered an
39.27 employer with regard to the self-employed individual's own coverage and benefits.

39.28 Subd. 17. **Estimated self-employment income.** "Estimated self-employment income"
39.29 means a self-employed individual's average net earnings from self-employment in the two
39.30 most recent taxable years. For a self-employed individual who had net earnings from
39.31 self-employment in only one of the years, the individual's estimated self-employment income

40.1 equals the individual's net earnings from self-employment in the year in which the individual
40.2 had net earnings from self-employment.

40.3 Subd. 18. **Family benefit program.** "Family benefit program" means the program
40.4 administered under this chapter for the collection of premiums and payment of benefits
40.5 related to family care, bonding, safety leave, and leave related to a qualifying exigency.

40.6 Subd. 19. **Family care.** "Family care" means an applicant caring for a family member
40.7 with a serious health condition or caring for a family member who is a covered service
40.8 member.

40.9 Subd. 20. **Family member.** (a) "Family member" means an employee's child, adult
40.10 child, spouse, sibling, parent, parent-in-law, grandchild, grandparent, stepparent, member
40.11 of the employee's household, or an individual described in paragraph (e).

40.12 (b) For the purposes of this chapter, a child includes a stepchild, biological, adopted, or
40.13 foster child of the employee.

40.14 (c) For the purposes of this chapter, a grandchild includes a step-grandchild, biological,
40.15 adopted, or foster grandchild of the employee.

40.16 (d) For the purposes of this chapter, an individual is a member of the employee's
40.17 household if the individual has resided at the same address as the employee for at least one
40.18 year as of the first day of a leave under this chapter.

40.19 (e) For the purposes of this chapter, an individual with a serious health condition is
40.20 deemed a family member of the employee if (1) a health care provider certifies in writing
40.21 that the individual requires care relating to the serious health condition, and (2) the employee
40.22 and the care recipient certify in writing that the employee will be providing the required
40.23 care.

40.24 Subd. 21. **Health care provider.** "Health care provider" means an individual who is
40.25 licensed, certified, or otherwise authorized under law to practice in the individual's scope
40.26 of practice as a physician, osteopath, physician assistant, chiropractor, advanced practice
40.27 registered nurse, licensed psychologist, licensed independent clinical social worker, or
40.28 dentist. "Chiropractor" means only a chiropractor who provides manual manipulation of
40.29 the spine to correct a subluxation demonstrated to exist by an x-ray.

40.30 Subd. 22. **High quarter.** "High quarter" has the meaning given in section 268.035,
40.31 subdivision 19.

40.32 Subd. 23. **Independent contractor.** (a) If there is an existing specific test or definition
40.33 for independent contractor in Minnesota statute or rule applicable to an occupation or sector

41.1 as of the date of enactment of this chapter, that test or definition will apply to that occupation
41.2 or sector for purposes of this chapter. If there is not an existing test or definition as described,
41.3 the definition for independent contractor shall be as provided in this subdivision.

41.4 (b) An individual is an independent contractor and not an employee of the person for
41.5 whom the individual is performing services in the course of the person's trade, business,
41.6 profession, or occupation only if:

41.7 (1) the individual maintains a separate business with the individual's own office,
41.8 equipment, materials, and other facilities;

41.9 (2) the individual:

41.10 (i) holds or has applied for a federal employer identification number; or

41.11 (ii) has filed business or self-employment income tax returns with the federal Internal
41.12 Revenue Service if the individual has performed services in the previous year;

41.13 (3) the individual is operating under contract to perform the specific services for the
41.14 person for specific amounts of money and under which the individual controls the means
41.15 of performing the services;

41.16 (4) the individual is incurring the main expenses related to the services that the individual
41.17 is performing for the person under the contract;

41.18 (5) the individual is responsible for the satisfactory completion of the services that the
41.19 individual has contracted to perform for the person and is liable for a failure to complete
41.20 the services;

41.21 (6) the individual receives compensation from the person for the services performed
41.22 under the contract on a commission or per-job or competitive bid basis and not on any other
41.23 basis;

41.24 (7) the individual may realize a profit or suffer a loss under the contract to perform
41.25 services for the person;

41.26 (8) the individual has continuing or recurring business liabilities or obligations; and

41.27 (9) the success or failure of the individual's business depends on the relationship of
41.28 business receipts to expenditures.

41.29 (c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31,
41.30 subdivision 6, is an independent contractor of an insurance company, as defined in section
41.31 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

42.1 Subd. 24. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice,
42.2 or residential medical care facility, including any period of incapacity defined under
42.3 subdivision 33, paragraph (b), or any subsequent treatment in connection with such inpatient
42.4 care.

42.5 Subd. 25. **Maximum weekly benefit amount.** "Maximum weekly benefit amount"
42.6 means the state's average weekly wage as calculated under section 268.035, subdivision 23.

42.7 Subd. 26. **Medical benefit program.** "Medical benefit program" means the program
42.8 administered under this chapter for the collection of premiums and payment of benefits
42.9 related to an applicant's serious health condition or pregnancy.

42.10 Subd. 27. **Net earnings from self-employment.** "Net earnings from self-employment"
42.11 has the meaning given in section 1402 of the Internal Revenue Code, as defined in section
42.12 290.01, subdivision 31.

42.13 Subd. 28. **Noncovered employment.** "Noncovered employment" has the meaning given
42.14 in section 268.035, subdivision 20.

42.15 Subd. 29. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy,
42.16 or recovery from childbirth, still birth, miscarriage, or related health conditions.

42.17 Subd. 30. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of
42.18 a military member's active duty service or notice of an impending call or order to active
42.19 duty in the United States armed forces, including providing for the care or other needs of
42.20 the family member's child or other dependent, making financial or legal arrangements for
42.21 the family member, attending counseling, attending military events or ceremonies, spending
42.22 time with the family member during a rest and recuperation leave or following return from
42.23 deployment, or making arrangements following the death of the military member.

42.24 (b) For the purposes of this chapter, a "military member" means a current or former
42.25 member of the United States armed forces, including a member of the National Guard or
42.26 reserves, who, except for a deceased military member, is a resident of the state and is a
42.27 family member of the employee taking leave related to the qualifying exigency.

42.28 Subd. 31. **Safety leave.** "Safety leave" means leave from work because of domestic
42.29 abuse, sexual assault, or stalking of the employee or employee's family member, provided
42.30 the leave is to:

42.31 (1) seek medical attention related to the physical or psychological injury or disability
42.32 caused by domestic abuse, sexual assault, or stalking;

42.33 (2) obtain services from a victim services organization;

43.1 (3) obtain psychological or other counseling;

43.2 (4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

43.3 (5) seek legal advice or take legal action, including preparing for or participating in any
43.4 civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual
43.5 assault, or stalking.

43.6 Subd. 32. **Self-employed individual.** "Self-employed individual" means a resident of
43.7 the state who, in one of the two taxable years preceding the current calendar year, derived
43.8 at least \$10,000 in net earnings from self-employment from an entity other than an S
43.9 corporation for the performance of services in this state.

43.10 Subd. 33. **Self-employment premium base.** "Self-employment premium base" means
43.11 the lesser of:

43.12 (1) a self-employed individual's estimated self-employment income for the calendar year
43.13 plus the individual's self-employment wages in the calendar year; or

43.14 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
43.15 Insurance tax in the taxable year.

43.16 Subd. 34. **Self-employment wages.** "Self-employment wages" means the amount of
43.17 wages that a self-employed individual earned in the calendar year from an entity from which
43.18 the individual also received net earnings from self-employment.

43.19 Subd. 35. **Serious health condition.** (a) "Serious health condition" means an illness,
43.20 injury, impairment, or physical or mental condition that involves inpatient care as defined
43.21 in subdivision 24 or continuing treatment by a health care provider as defined in subdivision
43.22 11.

43.23 (b) "Incapacity" means inability to work, attend school, or perform other regular daily
43.24 activities due to the serious health condition, treatment therefore, or recovery therefrom.

43.25 (c) Treatment includes but is not limited to examinations to determine if a serious health
43.26 condition exists and evaluations of the condition. Treatment does not include routine physical
43.27 examinations, eye examinations, or dental examinations. A regimen of continuing treatment
43.28 includes, for example, a course of prescription medication or therapy requiring special
43.29 equipment to resolve or alleviate the health condition.

43.30 Subd. 36. **State's average weekly wage.** "State's average weekly wage" means the
43.31 weekly wage calculated under section 268.035, subdivision 23.

44.1 Subd. 37. **Taxable year.** "Taxable year" has the meaning given in section 290.01,
44.2 subdivision 9.

44.3 Subd. 38. **Wage credits.** "Wage credits" has the meaning given in section 268.035,
44.4 subdivision 27.

44.5 **Sec. 6. [268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM**
44.6 **CREATION.**

44.7 Subdivision 1. **Creation.** A family and medical benefit insurance program is created to
44.8 be administered by the commissioner according to the terms of this chapter.

44.9 Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is
44.10 created within the department under the authority of the commissioner. The commissioner
44.11 shall appoint a director of the division. The division shall administer and operate the benefit
44.12 program under this chapter.

44.13 Subd. 3. **Rulemaking.** The commissioner may adopt rules to implement the provisions
44.14 of this chapter.

44.15 Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance
44.16 account is created in the special revenue fund in the state treasury. Money in this account
44.17 is appropriated to the commissioner to pay benefits under and to administer this chapter,
44.18 including outreach required under section 268B.15.

44.19 Subd. 5. **Information technology services and equipment.** The department is exempt
44.20 from the provisions of section 16E.016 for the purposes of this chapter.

44.21 **Sec. 7. [268B.03] ELIGIBILITY.**

44.22 Subdivision 1. **Applicant.** An applicant who has a serious health condition, has a
44.23 qualifying exigency, is taking safety leave, is providing family care, is bonding, or is pregnant
44.24 or recovering from pregnancy, and who satisfies the conditions of this section is eligible to
44.25 receive benefits subject to the provisions of this chapter.

44.26 Subd. 2. **Wage credits.** An applicant must have sufficient wage credits from an employer
44.27 or employers as defined in section 268B.01, subdivision 16, to establish a benefit account
44.28 under section 268.07, subdivision 2.

44.29 Subd. 3. **Seven-day qualifying event.** (a) The period for which an applicant is seeking
44.30 benefits must be or have been based on a single event of at least seven calendar days' duration

45.1 related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety
45.2 leave, or the applicant's serious health condition. The days need not be consecutive.

45.3 (b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

45.4 (c) The commissioner must use the rulemaking authority under section 268B.02,
45.5 subdivision 3, to adopt rules regarding what serious health conditions and other events are
45.6 prospectively presumed to constitute seven-day qualifying events under this chapter.

45.7 Subd. 4. **Ineligible.** (a) An applicant is not eligible for benefits for any portion of a day
45.8 for which the applicant worked for pay.

45.9 (b) An applicant is not eligible for benefits for any day for which the applicant received
45.10 benefits under chapter 176 or 268.

45.11 Subd. 5. **Certification.** An applicant for benefits under this chapter must fulfill the
45.12 certification requirements under section 268B.04, subdivision 2.

45.13 Subd. 6. **Records release.** An individual whose medical records are necessary to
45.14 determine eligibility for benefits under this chapter must sign and date a legally effective
45.15 waiver authorizing release of medical or other records, to the limited extent necessary to
45.16 administer or enforce this chapter, to the department and the Department of Labor and
45.17 Industry.

45.18 Subd. 7. **Self-employed individual applicant.** To fulfill the requirements of this section,
45.19 a self-employed individual or independent contractor who has elected and been approved
45.20 for coverage under section 268B.011 must fulfill only the requirements of subdivisions 3,
45.21 4, 5, and 6.

45.22 Sec. 8. **[268B.04] APPLICATIONS.**

45.23 Subdivision 1. **Process; deadline.** Applicants must file a benefit claim pursuant to rules
45.24 promulgated by the commissioner within 90 calendar days of the related qualifying event.
45.25 If a claim is filed more than 90 calendar days after the start of leave, the covered individual
45.26 may receive reduced benefits. All claims shall include a certification supporting a request
45.27 for leave under this chapter. The commissioner must establish good cause exemptions from
45.28 the certification requirement deadline in the event that a serious health condition of the
45.29 applicant prevents the applicant from providing the required certification within the 90
45.30 calendar days.

45.31 Subd. 2. **Certification.** (a) Certification for an applicant taking leave related to the
45.32 applicant's serious health condition shall be sufficient if the certification states the date on

46.1 which the serious health condition began, the probable duration of the condition, and the
46.2 appropriate medical facts within the knowledge of the health care provider as required by
46.3 the commissioner.

46.4 (b) Certification for an applicant taking leave to care for a family member with a serious
46.5 health condition shall be sufficient if the certification states the date on which the serious
46.6 health condition commenced, the probable duration of the condition, the appropriate medical
46.7 facts within the knowledge of the health care provider as required by the commissioner, a
46.8 statement that the family member requires care, and an estimate of the amount of time that
46.9 the family member will require care.

46.10 (c) Certification for an applicant taking leave related to pregnancy shall be sufficient if
46.11 the certification states the expected due date and recovery period based on appropriate
46.12 medical facts within the knowledge of the health care provider.

46.13 (d) Certification for an applicant taking bonding leave because of the birth of the
46.14 applicant's child shall be sufficient if the certification includes either the child's birth
46.15 certificate or a document issued by the health care provider of the child or the health care
46.16 provider of the person who gave birth, stating the child's birth date.

46.17 (e) Certification for an applicant taking bonding leave because of the placement of a
46.18 child with the applicant for adoption or foster care shall be sufficient if the applicant provides
46.19 a document issued by the health care provider of the child, an adoption or foster care agency
46.20 involved in the placement, or by other individuals as determined by the commissioner that
46.21 confirms the placement and the date of placement. To the extent that the status of an applicant
46.22 as an adoptive or foster parent changes while an application for benefits is pending, or while
46.23 the covered individual is receiving benefits, the applicant must notify the department of
46.24 such change in status in writing.

46.25 (f) Certification for an applicant taking leave because of a qualifying exigency shall be
46.26 sufficient if the certification includes:

46.27 (1) a copy of the family member's active-duty orders;

46.28 (2) other documentation issued by the United States armed forces; or

46.29 (3) other documentation permitted by the commissioner.

46.30 (g) Certification for an applicant taking safety leave is sufficient if the certification
46.31 includes a court record or documentation signed by a volunteer or employee of a victim's
46.32 services organization, an attorney, a police officer, or an antiviolence counselor. The

47.1 commissioner must not require disclosure of details relating to an applicant's or applicant's
47.2 family member's domestic abuse, sexual assault, or stalking.

47.3 (h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health
47.4 care provider with knowledge of the qualifying event associated with the leave.

47.5 (i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious
47.6 health condition of an applicant or applicant's family member, the certification under this
47.7 subdivision must include an explanation of how such leave would be medically beneficial
47.8 to the individual with the serious health condition.

47.9 **Sec. 9. [268B.05] DETERMINATION OF APPLICATION.**

47.10 Upon the filing of a complete application for benefits, the commissioner shall examine
47.11 the application and on the basis of facts found by the commissioner and records maintained
47.12 by the department, the applicant shall be determined to be eligible or ineligible within two
47.13 weeks. If the application is determined to be valid, the commissioner shall promptly notify
47.14 the applicant and any other interested party as to the week when benefits commence, the
47.15 weekly benefit amount payable, and the maximum duration of those benefits. If the
47.16 application is determined to be invalid, the commissioner shall notify the applicant and any
47.17 other interested party of that determination and the reasons for it. If the processing of the
47.18 application is delayed for any reason, the commissioner shall notify the applicant, in writing,
47.19 within two weeks of the date the application for benefits is filed of the reason for the delay.
47.20 Unless the applicant or any other interested party, within 30 calendar days, requests a hearing
47.21 before a benefit judge, the determination is final. For good cause shown, the 30-day period
47.22 may be extended. At any time within one year from the date of a monetary determination,
47.23 the commissioner, upon request of the applicant or on the commissioner's own initiative,
47.24 may reconsider the determination if it is found that an error in computation or identity has
47.25 occurred in connection with the determination or that additional wages pertinent to the
47.26 applicant's status have become available, or if that determination has been made as a result
47.27 of a nondisclosure or misrepresentation of a material fact.

47.28 **Sec. 10. [268B.06] EMPLOYER NOTIFICATION.**

47.29 (a) Upon a determination under section 268B.05 that an applicant is entitled to benefits,
47.30 the commissioner must promptly send a notification to each current employer of the applicant,
47.31 if any, in accordance with paragraph (b).

47.32 (b) The notification under paragraph (a) must include, at a minimum:

- 48.1 (1) the name of the applicant;
48.2 (2) that the applicant has applied for and received benefits;
48.3 (3) the week the benefits commence;
48.4 (4) the weekly benefit amount payable;
48.5 (5) the maximum duration of benefits; and
48.6 (6) descriptions of the employer's right to participate in a hearing under section 268B.05,
48.7 and appeal process under section 268B.07.

48.8 **Sec. 11. [268B.07] APPEAL PROCESS.**

48.9 Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

48.10 (b) Upon a timely appeal to a determination having been filed or upon a referral for
48.11 direct hearing, the chief benefit judge must set a time and date for a de novo due-process
48.12 hearing and send notice to an applicant and an employer, by mail or electronic transmission,
48.13 not less than ten calendar days before the date of the hearing.

48.14 (c) The commissioner may adopt rules on procedures for hearings. The rules need not
48.15 conform to common law or statutory rules of evidence and other technical rules of procedure.

48.16 (d) The chief benefit judge has discretion regarding the method by which the hearing is
48.17 conducted.

48.18 Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained,
48.19 the benefit judge must serve by mail or electronic transmission to all parties, the decision,
48.20 reasons for the decision, and written findings of fact.

48.21 (b) Decisions of a benefit judge are not precedential.

48.22 Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within
48.23 30 calendar days after service of the benefit judge's decision, file a request for reconsideration
48.24 asking the judge to reconsider that decision.

48.25 Subd. 4. **Appeal to court of appeals.** Any final determination on a request for
48.26 reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

48.27 Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed
48.28 to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who
48.29 are supervisors, or benefit judges.

49.1 (b) The chief benefit judge must assign a benefit judge to conduct a hearing and may
49.2 transfer to another benefit judge any proceedings pending before another benefit judge.

49.3 Sec. 12. **[268B.08] BENEFITS.**

49.4 Subdivision 1. **Weekly benefit amount.** (a) Subject to the maximum weekly benefit
49.5 amount, an applicant's weekly benefit is calculated by adding the amounts obtained by
49.6 applying the following percentage to an applicant's average weekly wage:

49.7 (1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage;
49.8 plus

49.9 (2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but
49.10 not 100 percent; plus

49.11 (3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

49.12 (b) The state's average weekly wage is the average wage as calculated under section
49.13 268.035, subdivision 23, at the time a benefit amount is first determined.

49.14 (c) Notwithstanding any other provision in this section, weekly benefits must not exceed
49.15 the maximum weekly benefit amount applicable at the time benefit payments commence.

49.16 Subd. 2. **Timing of payment.** Except as otherwise provided for in this chapter, benefits
49.17 must be paid weekly.

49.18 Subd. 3. **Maximum length of benefits.** (a) Except as provided in paragraph (b), in a
49.19 single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter
49.20 related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits
49.21 under this chapter for bonding, safety leave, or family care.

49.22 (b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave
49.23 related to one or more qualifying exigencies.

49.24 Subd. 4. **Minimum period for which benefits payable.** Except for a claim for benefits
49.25 for bonding leave, any claim for benefits must be based on a single-qualifying event of at
49.26 least seven calendar days. Benefits may be paid for a minimum increment of one day. The
49.27 minimum increment of one day may consist of multiple, nonconsecutive portions of a day
49.28 totaling eight hours.

49.29 Subd. 5. **Withholding of federal tax.** If the Internal Revenue Service determines that
49.30 benefits are subject to federal income tax, and an applicant elects to have federal income
49.31 tax deducted and withheld from the applicant's benefits, the commissioner must deduct and

50.1 withhold the amount specified in the Internal Revenue Code in a manner consistent with
50.2 state law.

50.3 Sec. 13. **[268B.085] LEAVE.**

50.4 Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee
50.5 has a right to leave from employment for any day, or portion of a day, for which the employee
50.6 would be eligible for benefits under this chapter, regardless of whether the employee actually
50.7 applied for benefits and regardless of whether the employee is covered under a private plan
50.8 or the public program under this chapter.

50.9 Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must
50.10 provide the employer at least 30 days' advance notice before leave under this chapter is to
50.11 begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately
50.12 when leave will be required to begin, a change in circumstances, or a medical emergency,
50.13 notice must be given as soon as practicable. Whether leave is to be continuous or is to be
50.14 taken intermittently or on a reduced schedule basis, notice need only be given one time, but
50.15 the employee must advise the employer as soon as practicable if dates of scheduled leave
50.16 change or are extended, or were initially unknown. In those cases where the employee is
50.17 required to provide at least 30 days' notice of foreseeable leave and does not do so, the
50.18 employee must explain the reasons why such notice was not practicable upon a request from
50.19 the employer for such information.

50.20 (b) "As soon as practicable" means as soon as both possible and practical, taking into
50.21 account all of the facts and circumstances in the individual case. When an employee becomes
50.22 aware of a need for leave under this chapter less than 30 days in advance, it should be
50.23 practicable for the employee to provide notice of the need for leave either the same day or
50.24 the next day, unless the need for leave is based on a medical emergency. In all cases,
50.25 however, the determination of when an employee could practicably provide notice must
50.26 take into account the individual facts and circumstances.

50.27 (c) An employee shall provide at least verbal notice sufficient to make the employer
50.28 aware that the employee needs leave allowed under this chapter and the anticipated timing
50.29 and duration of the leave. An employer may require an employee giving notice of leave to
50.30 include a certification for the leave as described in section 268B.04, subdivision 2. Such
50.31 certification, if required by an employer, is timely when the employee delivers it as soon
50.32 as practicable given the circumstances requiring the need for leave, and the required contents
50.33 of the certification.

51.1 (d) An employer may require an employee to comply with the employer's usual and
51.2 customary notice and procedural requirements for requesting leave, absent unusual
51.3 circumstances or other circumstances caused by the reason for the employee's need for
51.4 leave. Leave under this chapter must not be delayed or denied where an employer's usual
51.5 and customary notice or procedural requirements require notice to be given sooner than set
51.6 forth in this subdivision.

51.7 (e) If an employer has failed to provide notice to the employee as required under section
51.8 268B.22, paragraph (a), (b), or (e), the employee is not required to comply with the notice
51.9 requirements of this subdivision.

51.10 Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested
51.11 by the employee. Bonding leave must begin within 12 months of the birth, adoption, or
51.12 placement of a foster child, except that, in the case where the child must remain in the
51.13 hospital longer than the mother, the leave must begin within 12 months after the child leaves
51.14 the hospital.

51.15 Subd. 4. **Intermittent or reduced leave schedule.** (a) Leave under this chapter, based
51.16 on a serious health condition, may be taken intermittently or on a reduced leave schedule
51.17 if such leave would be medically beneficial to the individual with the serious health condition.
51.18 For all other leaves under this chapter, leave may be taken intermittently or on a reduced
51.19 leave schedule. Intermittent leave is leave taken in separate blocks of time due to a single,
51.20 seven-day qualifying event. A reduced leave schedule is a leave schedule that reduces an
51.21 employee's usual number of working hours per workweek or hours per workday.

51.22 (b) Leave taken intermittently or on a reduced schedule basis counts toward the
51.23 maximums described in section 268B.08, subdivision 3.

51.24 Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

51.25 Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an
51.26 employee for requesting or obtaining benefits, or for exercising any other right under this
51.27 chapter.

51.28 Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an
51.29 application for leave or benefits or the exercise of any other right under this chapter.

51.30 Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights
51.31 to benefits or any other right under this chapter is void.

52.1 Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits
52.2 is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided
52.3 for the collection of debt. Any waiver of this subdivision is void.

52.4 Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to
52.5 benefits under this chapter, the employer must maintain coverage under any group insurance
52.6 policy, group subscriber contract, or health care plan for the employee and any dependents
52.7 as if the employee was not on leave, provided, however, that the employee must continue
52.8 to pay any employee share of the cost of such benefits.

52.9 Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter,
52.10 an employee is entitled to be returned to the same position the employee held when leave
52.11 commenced or to an equivalent position with equivalent benefits, pay, and other terms and
52.12 conditions of employment. An employee is entitled to such reinstatement even if the
52.13 employee has been replaced or the employee's position has been restructured to accommodate
52.14 the employee's absence.

52.15 (b)(1) An equivalent position is one that is virtually identical to the employee's former
52.16 position in terms of pay, benefits, and working conditions, including privileges, prerequisites,
52.17 and status. It must involve the same or substantially similar duties and responsibilities,
52.18 which must entail substantially equivalent skill, effort, responsibility, and authority.

52.19 (2) If an employee is no longer qualified for the position because of the employee's
52.20 inability to attend a necessary course, renew a license, fly a minimum number of hours, or
52.21 the like, as a result of the leave, the employee must be given a reasonable opportunity to
52.22 fulfill those conditions upon return from leave.

52.23 (c)(1) An employee is entitled to any unconditional pay increases which may have
52.24 occurred during the leave period, such as cost of living increases. Pay increases conditioned
52.25 upon seniority, length of service, or work performed must be granted in accordance with
52.26 the employer's policy or practice with respect to other employees on an equivalent leave
52.27 status for a reason that does not qualify for leave under this chapter. An employee is entitled
52.28 to be restored to a position with the same or equivalent pay premiums, such as a shift
52.29 differential. If an employee departed from a position averaging ten hours of overtime, and
52.30 corresponding overtime pay, each week an employee is ordinarily entitled to such a position
52.31 on return from leave under this chapter.

52.32 (2) Equivalent pay includes any bonus or payment, whether it is discretionary or
52.33 nondiscretionary, made to employees consistent with the provisions of clause (1). However,
52.34 if a bonus or other payment is based on the achievement of a specified goal such as hours

53.1 worked, products sold, or perfect attendance, and the employee has not met the goal due to
53.2 leave under this chapter, the payment may be denied, unless otherwise paid to employees
53.3 on an equivalent leave status for a reason that does not qualify for leave under this chapter.

53.4 (d) Benefits under this section include all benefits provided or made available to
53.5 employees by an employer, including group life insurance, health insurance, disability
53.6 insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether
53.7 such benefits are provided by a practice or written policy of an employer through an employee
53.8 benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

53.9 (1) At the end of an employee's leave under this chapter, benefits must be resumed in
53.10 the same manner and at the same levels as provided when the leave began, and subject to
53.11 any changes in benefit levels that may have taken place during the period of leave affecting
53.12 the entire workforce, unless otherwise elected by the employee. Upon return from a leave
53.13 under this chapter, an employee cannot be required to requalify for any benefits the employee
53.14 enjoyed before leave began, including family or dependent coverages.

53.15 (2) An employee may, but is not entitled to, accrue any additional benefits or seniority
53.16 during a leave under this chapter. Benefits accrued at the time leave began, however, must
53.17 be available to an employee upon return from leave.

53.18 (3) With respect to pension and other retirement plans, leave under this chapter must
53.19 not be treated as or counted toward a break in service for purposes of vesting and eligibility
53.20 to participate. Also, if the plan requires an employee to be employed on a specific date in
53.21 order to be credited with a year of service for vesting, contributions, or participation purposes,
53.22 an employee on leave under this chapter must be treated as employed on that date. However,
53.23 periods of leave under this chapter need not be treated as credited service for purposes of
53.24 benefit accrual, vesting, and eligibility to participate.

53.25 (4) Employees on leave under this chapter must be treated as if they continued to work
53.26 for purposes of changes to benefit plans. Employees on leave under this chapter are entitled
53.27 to changes in benefit plans, except those which may be dependent upon seniority or accrual
53.28 during the leave period, immediately upon return from leave or to the same extent they
53.29 would have qualified if no leave had been taken.

53.30 (e) An equivalent position must have substantially similar duties, conditions,
53.31 responsibilities, privileges, and status as the employee's original position.

53.32 (1) The employee must be reinstated to the same or a geographically proximate worksite
53.33 from where the employee had previously been employed. If the employee's original worksite

54.1 has been closed, the employee is entitled to the same rights as if the employee had not been
54.2 on leave when the worksite closed.

54.3 (2) The employee is ordinarily entitled to return to the same shift or the same or an
54.4 equivalent work schedule.

54.5 (3) The employee must have the same or an equivalent opportunity for bonuses,
54.6 profit-sharing, and other similar discretionary and nondiscretionary payments.

54.7 (4) This chapter does not prohibit an employer from accommodating an employee's
54.8 request to be restored to a different shift, schedule, or position which better suits the
54.9 employee's personal needs on return from leave, or to offer a promotion to a better position.
54.10 However, an employee must not be induced by the employer to accept a different position
54.11 against the employee's wishes.

54.12 (f) The requirement that an employee be restored to the same or equivalent job with the
54.13 same or equivalent pay, benefits, and terms and conditions of employment does not extend
54.14 to de minimis, intangible, or unmeasurable aspects of the job.

54.15 Subd. 7. **Limitations on an employee's right to reinstatement.** An employee has no
54.16 greater right to reinstatement or to other benefits and conditions of employment than if the
54.17 employee had been continuously employed during the period of leave under this chapter.
54.18 An employer must be able to show that an employee would not otherwise have been
54.19 employed at the time reinstatement is requested in order to deny restoration to employment.

54.20 (1) If an employee is laid off during the course of taking a leave under this chapter and
54.21 employment is terminated, the employer's responsibility to continue the leave, maintain
54.22 group health plan benefits, and restore the employee cease at the time the employee is laid
54.23 off, provided the employer has no continuing obligations under a collective bargaining
54.24 agreement or otherwise. An employer would have the burden of proving that an employee
54.25 would have been laid off during the period of leave under this chapter and, therefore, would
54.26 not be entitled to restoration. Restoration to a job slated for layoff when the employee's
54.27 original position would not meet the requirements of an equivalent position.

54.28 (2) If a shift has been eliminated or overtime has been decreased, an employee would
54.29 not be entitled to return to work that shift or the original overtime hours upon restoration.
54.30 However, if a position on, for example, a night shift has been filled by another employee,
54.31 the employee is entitled to return to the same shift on which employed before taking leave
54.32 under this chapter.

55.1 (3) If an employee was hired for a specific term or only to perform work on a discrete
55.2 project, the employer has no obligation to restore the employee if the employment term or
55.3 project is over and the employer would not otherwise have continued to employ the employee.

55.4 Subd. 8. Remedies. (a) In addition to any other remedies available to an employee in
55.5 law or equity, an employer who violates the provisions of this section is liable to any
55.6 employee affected for:

55.7 (1) damages equal to the amount of:

55.8 (i) any wages, salary, employment benefits, or other compensation denied or lost to such
55.9 employee by reason of the violation, or, in a cases in which wages, salary, employment
55.10 benefits, or other compensation have not been denied or lost to the employee, any actual
55.11 monetary losses sustained by the employee as a direct result of the violation; and

55.12 (ii) reasonable interest on the amount described in item (i); and

55.13 (2) such equitable relief as may be appropriate, including employment, reinstatement,
55.14 and promotion.

55.15 (b) An action to recover damages or equitable relief prescribed in paragraph (a) may be
55.16 maintained against any employer in any federal or state court of competent jurisdiction by
55.17 any one or more employees for and on behalf of:

55.18 (1) the employees; or

55.19 (2) the employees and other employees similarly situated.

55.20 (c) The court in an action under this section must, in addition to any judgment awarded
55.21 to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees,
55.22 and other costs of the action to be paid by the defendant.

55.23 (d) Nothing in this section shall be construed to allow an employee to recover damages
55.24 from an employer for the denial of benefits under this chapter by the department, unless the
55.25 employer unlawfully interfered with the application for benefits under subdivision 2.

55.26 **Sec. 15. [268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

55.27 Subdivision 1. Application for substitution. Employers may apply to the commissioner
55.28 for approval to meet their obligations under this chapter through the substitution of a private
55.29 plan that provides paid family, paid medical, or paid family and medical benefits. In order
55.30 to be approved as meeting an employer's obligations under this chapter, a private plan must
55.31 confer all of the same rights, protections, and benefits provided to employees under this
55.32 chapter, including but not limited to benefits under section 268B.08 and employment

56.1 protections under section 268B.09. An employee covered by a private plan under this section
56.2 retains all applicable rights and remedies under section 268B.09.

56.3 Subd. 2. **Private plan requirements; medical benefit program.** The commissioner
56.4 must approve an application for private provision of the medical benefit program if the
56.5 commissioner determines:

56.6 (1) all of the employees of the employer are to be covered under the provisions of the
56.7 employer plan;

56.8 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
56.9 under this chapter;

56.10 (3) the weekly benefits payable under the private plan for any week are at least equal to
56.11 the weekly benefit amount payable under this chapter, taking into consideration any coverage
56.12 with respect to concurrent employment by another employer;

56.13 (4) the total number of weeks for which benefits are payable under the private plan is
56.14 at least equal to the total number of weeks for which benefits would have been payable
56.15 under this chapter;

56.16 (5) no greater amount is required to be paid by employees toward the cost of benefits
56.17 under the employer plan than by this chapter;

56.18 (6) wage replacement benefits are stated in the plan separately and distinctly from other
56.19 benefits;

56.20 (7) the private plan will provide benefits and leave for any serious health condition or
56.21 pregnancy for which benefits are payable, and leave provided, under this chapter;

56.22 (8) the private plan will impose no additional condition or restriction on the use of
56.23 medical benefits beyond those explicitly authorized by this chapter or regulations
56.24 promulgated pursuant to this chapter;

56.25 (9) the private plan will allow any employee covered under the private plan who is
56.26 eligible to receive medical benefits under this chapter to receive medical benefits under the
56.27 employer plan; and

56.28 (10) coverage will be continued under the private plan while an employee remains
56.29 employed by the employer.

56.30 Subd. 3. **Private plan requirements; family benefit program.** The commissioner must
56.31 approve an application for private provision of the family benefit program if the
56.32 commissioner determines:

57.1 (1) all of the employees of the employer are to be covered under the provisions of the
57.2 employer plan;

57.3 (2) eligibility requirements for benefits and leave are no more restrictive than as provided
57.4 under this chapter;

57.5 (3) the weekly benefits payable under the private plan for any week are at least equal to
57.6 the weekly benefit amount payable under this chapter, taking into consideration any coverage
57.7 with respect to concurrent employment by another employer;

57.8 (4) the total number of weeks for which benefits are payable under the private plan is
57.9 at least equal to the total number of weeks for which benefits would have been payable
57.10 under this chapter;

57.11 (5) no greater amount is required to be paid by employees toward the cost of benefits
57.12 under the employer plan than by this chapter;

57.13 (6) wage replacement benefits are stated in the plan separately and distinctly from other
57.14 benefits;

57.15 (7) the private plan will provide benefits and leave for any care for a family member
57.16 with a serious health condition, bonding with a child, qualifying exigency, or safety leave
57.17 event for which benefits are payable, and leave provided, under this chapter;

57.18 (8) the private plan will impose no additional condition or restriction on the use of family
57.19 benefits beyond those explicitly authorized by this chapter or regulations promulgated
57.20 pursuant to this chapter;

57.21 (9) the private plan will allow any employee covered under the private plan who is
57.22 eligible to receive medical benefits under this chapter to receive medical benefits under the
57.23 employer plan; and

57.24 (10) coverage will be continued under the private plan while an employee remains
57.25 employed by the employer.

57.26 Subd. 4. **Use of private insurance products.** Nothing in this section prohibits an
57.27 employer from meeting the requirements of a private plan through a private insurance
57.28 product. If the employer plan involves a private insurance product, that insurance product
57.29 must conform to any applicable law or rule.

57.30 Subd. 5. **Private plan approval and oversight fee.** An employer with an approved
57.31 private plan will not be required to pay premiums established under section 268B.12. An
57.32 employer with an approved private plan will be responsible for a private plan approval and

58.1 oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers
58.2 with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The
58.3 employer must pay this fee (1) upon initial application for private plan approval and (2) any
58.4 time the employer applies to amend the private plan. The commissioner will review and
58.5 report on the adequacy of this fee to cover private plan administrative costs annually
58.6 beginning in 2020 as part of the annual report established in section 268B.21.

58.7 Subd. 6. **Plan duration.** A private plan under this section must be in effect for a period
58.8 of at least one year and, thereafter, continuously unless the commissioner finds that the
58.9 employer has given notice of withdrawal from the plan in a manner specified by the
58.10 commissioner in this section or rule. The plan may be withdrawn by the employer within
58.11 30 days of the effective date of any law increasing the benefit amounts or within 30 days
58.12 of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be
58.13 amended to conform to provide the increased benefit amount or change in the rate of the
58.14 employee's premium on the date of the increase or change.

58.15 Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's
58.16 private plan to the commissioner, in a manner specified by the commissioner.

58.17 Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an
58.18 approved private plan if a leave under this chapter occurs after the employment relationship
58.19 with the private plan employer ends, or if the commissioner revokes the approval of the
58.20 private plan.

58.21 (b) An employee no longer covered by an approved private plan is, if otherwise eligible,
58.22 immediately entitled to benefits under this chapter to the same extent as though there had
58.23 been no approval of the private plan.

58.24 Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan
58.25 must provide a notice prepared by or approved by the commissioner regarding the private
58.26 plan consistent with the provisions of section 268B.22.

58.27 Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private
58.28 plan adjusting the provisions thereof, if the commissioner determines:

58.29 (1) that the plan, as amended, will conform to the standards set forth in this chapter; and
58.30 (2) that notice of the amendment has been delivered to all affected employees at least
58.31 ten days before the submission of the amendment.

58.32 (b) Any amendments approved under this subdivision are effective on the date of the
58.33 commissioner's approval, unless the commissioner and the employer agree on a later date.

59.1 Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires
59.2 the employer organization, trade, or business, or substantially all the assets thereof, or a
59.3 distinct and severable portion of the organization, trade, or business, and continues its
59.4 operation without substantial reduction of personnel resulting from the acquisition, must
59.5 continue the approved private plan and must not withdraw the plan without a specific request
59.6 for withdrawal in a manner and at a time specified by the commissioner. A successor may
59.7 terminate a private plan with notice to the commissioner and within 90 days from the date
59.8 of the acquisition.

59.9 Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may
59.10 terminate any private plan if the commissioner determines the employer:

59.11 (1) failed to pay benefits;

59.12 (2) failed to pay benefits in a timely manner, consistent with the requirements of this
59.13 chapter;

59.14 (3) failed to submit reports as required by this chapter or rule adopted under this chapter;
59.15 or

59.16 (4) otherwise failed to comply with this chapter or rule adopted under this chapter.

59.17 (b) The commissioner must give notice of the intention to terminate a plan to the employer
59.18 at least ten days before taking any final action. The notice must state the effective date and
59.19 the reason for the termination.

59.20 (c) The employer may, within ten days from mailing or personal service of the notice,
59.21 file an appeal to the commissioner in the time, manner, method, and procedure provided by
59.22 the commissioner under subdivision 7.

59.23 (d) The payment of benefits must not be delayed during an employer's appeal of the
59.24 revocation of approval of a private plan.

59.25 (e) If the commissioner revokes approval of an employer's private plan, that employer
59.26 is ineligible to apply for approval of another private plan for a period of three years, beginning
59.27 on the date of revocation.

59.28 Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary
59.29 penalties against an employer with an approved private plan found to have violated this
59.30 chapter:

59.31 (1) \$1,000 for the first violation; and

59.32 (2) \$2,000 for the second, and each successive violation.

60.1 (b) The commissioner must waive collection of any penalty if the employer corrects the
60.2 violation within 30 days of receiving a notice of the violation and the notice is for a first
60.3 violation.

60.4 (c) The commissioner may waive collection of any penalty if the commissioner determines
60.5 the violation to be an inadvertent error by the employer.

60.6 (d) Monetary penalties collected under this section shall be deposited in the account.

60.7 (e) Assessment of penalties under this subdivision may be appealed as provided by the
60.8 commissioner under subdivision 7.

60.9 Subd. 14. **Reports, information, and records.** Employers with an approved private
60.10 plan must maintain all reports, information, and records as relating to the private plan and
60.11 claims for a period of six years from creation and provide to the commissioner upon request.

60.12 Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans
60.13 approved under this section both before and after the plans are approved.

60.14 Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR**
60.15 **ELECTION OF COVERAGE.**

60.16 Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent
60.17 contractor may file with the commissioner by electronic transmission in a format prescribed
60.18 by the commissioner an application to be entitled to benefits under this chapter for a period
60.19 not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent
60.20 by United States mail or electronic transmission, the individual is entitled to benefits under
60.21 this chapter beginning the calendar quarter after the date of approval or beginning in a later
60.22 calendar quarter if requested by the self-employed individual or independent contractor.
60.23 The individual ceases to be entitled to benefits as of the first day of January of any calendar
60.24 year only if, at least 30 calendar days before the first day of January, the individual has filed
60.25 with the commissioner by electronic transmission in a format prescribed by the commissioner
60.26 a notice to that effect.

60.27 (b) The commissioner may terminate any application approved under this section with
60.28 30 calendar days' notice sent by United States mail or electronic transmission if the
60.29 self-employed individual is delinquent on any premiums due under this chapter an election
60.30 agreement. If an approved application is terminated in this manner during the first 104
60.31 consecutive calendar weeks of election, the self-employed individual remains obligated to
60.32 pay the premium under subdivision 3 for the remainder of that 104-week period.

61.1 Subd. 2. **Application** A self-employed individual who applies for coverage under this
61.2 section must provide the commissioner with (1) the amount of the individual's net earnings
61.3 from self-employment, if any, from the two most recent taxable years and all tax documents
61.4 necessary to prove the accuracy of the amounts reported and (2) any other documentation
61.5 the commissioner requires. A self-employed individual who is covered under this chapter
61.6 must annually provide the commissioner with the amount of the individual's net earnings
61.7 from self-employment within 30 days of filing a federal income tax return.

61.8 Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under
61.9 this chapter must annually pay a premium equal to one-half the percentage in section
61.10 268B.12, subdivision 4, clause (1), times the lesser of:

61.11 (1) the individual's self-employment premium base; or

61.12 (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability
61.13 Insurance tax.

61.14 Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual
61.15 who has applied to and been approved for coverage by the commissioner under this section
61.16 is entitled to benefits on the same basis as an employee under this chapter, except that a
61.17 self-employed individual's weekly benefit amount under section 268B.08, subdivision 1,
61.18 must calculated as a percentage of the self-employed individual's self-employment premium
61.19 base, rather than wages.

61.20 Sec. 17. **[268B.12] PREMIUMS.**

61.21 Subdivision 1. **Employer.** (a) Each person or entity required, or who elected, to register
61.22 for a tax account under sections 268.042, 268.045, and 268.046 must pay a premium on the
61.23 wages paid to employees in covered employment for each calendar year. The premium must
61.24 be paid on all wages up to the maximum specified by this section.

61.25 (b) Each person or entity required, or who elected, to register for a reimbursable account
61.26 under sections 268.042, 268.045, and 268.046 must pay a premium on the wages paid to
61.27 employees in covered employment in the same amount and manner as provided by paragraph
61.28 (a).

61.29 Subd. 2. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or
61.30 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent
61.31 of annual premiums paid under this section from employee wages. Such deductions for any
61.32 given employee must be in equal proportion to the premiums paid based on the wages of
61.33 that employee, and all employees of an employer must be subject to the same percentage

62.1 deduction. Deductions under this section must not cause an employee's wage, after the
62.2 deduction, to fall below the rate required to be paid to the worker by law, including any
62.3 applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or
62.4 other legal authority, whichever rate of pay is greater.

62.5 Subd. 3. **Wages and payments subject to premium.** (a) The maximum wages subject
62.6 to premium in a calendar year is equal to the maximum earnings in that year subject to the
62.7 FICA Old-Age, Survivors, and Disability Insurance tax.

62.8 (b) The maximum payment amount subject to premium in a calendar year, under
62.9 subdivision 1, paragraph (c), is equal to the maximum earnings in that year subject to the
62.10 FICA Old-Age, Survivors, and Disability Insurance tax.

62.11 Subd. 4. **Annual premium rates.** The employer premium rates for the calendar year
62.12 beginning January 1, 2021, shall be as follows:

62.13 (1) for employers participating in both family and medical benefit programs, 0.6 percent;

62.14 (2) for an employer participating in only the medical benefit program and with an
62.15 approved private plan for the family benefit program, 0.486 percent; and

62.16 (3) for an employer participating in only the family benefit program and with an approved
62.17 private plan for the medical benefit program, 0.114 percent.

62.18 Subd. 5. **Premium rate adjustments.** (a) Each calendar year following the calendar
62.19 year beginning January 1, 2023, the commissioner must adjust the annual premium rates
62.20 using the formula in paragraph (b).

62.21 (b) To calculate the employer rates for a calendar year, the commissioner must:

62.22 (1) multiply 1.45 times the amount disbursed from the account for the 52-week period
62.23 ending September 30 of the prior year;

62.24 (2) subtract the amount in the account on that September 30 from the resulting figure;

62.25 (3) divide the resulting figure by twice the total wages in covered employment of
62.26 employees of employers without approved private plans under section 268B.10 for either
62.27 the family or medical benefit program. For employers with an approved private plan for
62.28 either the medical benefit program or the family benefit program, but not both, count only
62.29 the proportion of wages in covered employment associated with the program for which the
62.30 employer does not have an approved private plan; and

62.31 (4) round the resulting figure down to the nearest one-hundredth of one percent.

63.1 (c) The commissioner must apportion the premium rate between the family and medical
63.2 benefit programs based on the relative proportion of expenditures for each program during
63.3 the preceding year.

63.4 Subd. 6. **Deposit of premiums.** All premiums collected under this section must be
63.5 deposited into the account.

63.6 Subd. 7. **Nonpayment of premiums by employer.** The failure of an employer to pay
63.7 premiums does not impact the right of an employee to benefits, or any other right, under
63.8 this chapter.

63.9 Sec. 18. **[268B.13] COLLECTION OF PREMIUMS.**

63.10 Subdivision 1. **Amount computed presumed correct.** Any amount due from an
63.11 employer, as computed by the commissioner, is presumed to be correctly determined and
63.12 assessed, and the burden is upon the employer to show any error. A statement by the
63.13 commissioner of the amount due is admissible in evidence in any court or administrative
63.14 proceeding and is prima facie evidence of the facts in the statement.

63.15 Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be
63.16 applied in the following order:

63.17 (1) premiums due under this chapter; then

63.18 (2) interest on past due premiums; then

63.19 (3) penalties, late fees, administrative service fees, and costs.

63.20 (b) Paragraph (a) is the priority used for all payments received from an employer,
63.21 regardless of how the employer may designate the payment to be applied, except when:

63.22 (1) there is an outstanding lien and the employer designates that the payment made
63.23 should be applied to satisfy the lien;

63.24 (2) a court or administrative order directs that the payment be applied to a specific
63.25 obligation;

63.26 (3) a preexisting payment plan provides for the application of payment; or

63.27 (4) the commissioner agrees to apply the payment to a different priority.

63.28 Subd. 3. **Costs.** (a) Any employer that fails to pay any amount when due under this
63.29 chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral
63.30 to any public or private collection agency, or litigation costs, including attorney fees, incurred
63.31 in the collection of the amounts due.

64.1 (b) If any tendered payment of any amount due is not honored when presented to a
64.2 financial institution for payment, any costs assessed to the department by the financial
64.3 institution and a fee of \$25 must be assessed to the person.

64.4 (c) Costs and fees collected under this subdivision are credited to the account.

64.5 Subd. 4. **Interest on amounts past due.** If any amounts due from an employer under
64.6 this chapter, except late fees, are not received on the date due, the unpaid balance bears
64.7 interest at the rate of one percent per month or any part of a month. Interest collected under
64.8 this subdivision is payable to the account.

64.9 Subd. 5. **Interest on judgments.** Regardless of section 549.09, if judgment is entered
64.10 upon any past due amounts from an employer under this chapter, the unpaid judgment bears
64.11 interest at the rate specified in subdivision 4 until the date of payment.

64.12 Subd. 6. **Credit adjustments; refunds.** (a) If an employer makes an application for a
64.13 credit adjustment of any amount paid under this chapter within four years of the date that
64.14 the payment was due, in a manner and format prescribed by the commissioner, and the
64.15 commissioner determines that the payment or any portion thereof was erroneous, the
64.16 commissioner must make an adjustment and issue a credit without interest. If a credit cannot
64.17 be used, the commissioner must refund, without interest, the amount erroneously paid. The
64.18 commissioner, on the commissioner's own motion, may make a credit adjustment or refund
64.19 under this subdivision.

64.20 (b) Any refund returned to the commissioner is considered unclaimed property under
64.21 chapter 345.

64.22 (c) If a credit adjustment or refund is denied in whole or in part, a determination of denial
64.23 must be sent to the employer by United States mail or electronic transmission. The
64.24 determination of denial is final unless an employer files an appeal within 20 calendar days
64.25 after receipt of the determination.

64.26 (d) If an employer receives a credit adjustment or refund under this section, the employer
64.27 must determine the amount of any overpayment attributable to a deduction from employee
64.28 wages under section 268B.12, subdivision 2, and return any amount erroneously deducted
64.29 to each affected employee.

64.30 Subd. 7. **Priorities under legal dissolutions or distributions.** In the event of any
64.31 distribution of an employer's assets according to an order of any court, including any
64.32 receivership, assignment for benefit of creditors, adjudicated insolvency, or similar
64.33 proceeding, premiums then or thereafter due must be paid in full before all other claims

65.1 except claims for wages of not more than \$1,000 per former employee that are earned within
65.2 six months of the commencement of the proceedings. In the event of an employer's
65.3 adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled
65.4 to the priority provided in that law for taxes due.

65.5 Sec. 19. **[268B.14] ADMINISTRATIVE COSTS.**

65.6 From July 1, 2021, through December 31, 2021, the commissioner may spend up to
65.7 seven percent of premiums collected under section 268B.13 for administration of this chapter.
65.8 Beginning January 1, 2022, and each calendar year thereafter, the commissioner may spend
65.9 up to seven percent of projected benefit payments for that calendar year for the administration
65.10 of this chapter. The department may enter into interagency agreements with the Department
65.11 of Labor and Industry, including agreements to transfer funds, subject to the limit in this
65.12 section, for the Department of Labor and Industry to fulfill its enforcement authority of this
65.13 chapter.

65.14 Sec. 20. **[268B.15] PUBLIC OUTREACH.**

65.15 Beginning in fiscal year 2022, the commissioner must use at least 0.5 percent of revenue
65.16 collected under this chapter for the purpose of outreach, education, and technical assistance
65.17 for employees, employers, and self-employed individuals eligible to elect coverage under
65.18 section 268B.11. The department may enter into interagency agreements with the Department
65.19 of Labor and Industry, including agreements to transfer funds, subject to the limit in section
65.20 268B.14, to accomplish the requirements of this section. At least one-half of the amount
65.21 spent under this section must be used for grants to community-based groups.

65.22 Sec. 21. **[268B.16] APPLICANT'S FALSE REPRESENTATIONS; CONCEALMENT**
65.23 **OF FACTS; PENALTY.**

65.24 (a) Any applicant who knowingly makes a false statement or representation, knowingly
65.25 fails to disclose a material fact, or makes a false statement or representation without a
65.26 good-faith belief as to the correctness of the statement or representation in order to obtain
65.27 or in an attempt to obtain benefits may be assessed, in addition to any other penalties, an
65.28 administrative penalty of ineligibility of benefits for 13 to 104 weeks.

65.29 (b) A determination of ineligibility setting out the weeks the applicant is ineligible must
65.30 be sent to the applicant by United States mail or electronic transmission. The determination
65.31 is final unless an appeal is filed within 30 calendar days after receipt of the determination.

66.1 Sec. 22. **[268B.17] EMPLOYER MISCONDUCT; PENALTY.**

66.2 (a) The commissioner must penalize an employer if that employer or any employee,
66.3 officer, or agent of that employer is in collusion with any applicant for the purpose of
66.4 assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount
66.5 of benefits determined to be overpaid, whichever is greater.

66.6 (b) The commissioner must penalize an employer if that employer or any employee,
66.7 officer, or agent of that employer:

66.8 (1) made a false statement or representation knowing it to be false;

66.9 (2) made a false statement or representation without a good-faith belief as to the
66.10 correctness of the statement or representation; or

66.11 (3) knowingly failed to disclose a material fact.

66.12 (c) The penalty is the greater of \$500 or 50 percent of the following resulting from the
66.13 employer's action:

66.14 (1) the amount of any overpaid benefits to an applicant;

66.15 (2) the amount of benefits not paid to an applicant that would otherwise have been paid;

66.16 or

66.17 (3) the amount of any payment required from the employer under this chapter that was
66.18 not paid.

66.19 (d) Penalties must be paid within 30 calendar days of issuance of the determination of
66.20 penalty and credited to the account.

66.21 (e) The determination of penalty is final unless the employer files an appeal within 30
66.22 calendar days after the sending of the determination of penalty to the employer by United
66.23 States mail or electronic transmission.

66.24 Sec. 23. **[268B.18] RECORDS; AUDITS.**

66.25 (a) Each employer must keep true and accurate records on individuals performing services
66.26 for the employer, containing the information the commissioner may require under this
66.27 chapter. The records must be kept for a period of not less than four years in addition to the
66.28 current calendar year.

66.29 (b) For the purpose of administering this chapter, the commissioner has the power to
66.30 investigate, audit, examine, or cause to be supplied or copied, any books, correspondence,

67.1 papers, records, or memoranda that are the property of, or in the possession of, an employer
67.2 or any other person at any reasonable time and as often as may be necessary.

67.3 (c) An employer or other person that refuses to allow an audit of its records by the
67.4 department or that fails to make all necessary records available for audit in the state upon
67.5 request of the commissioner may be assessed an administrative penalty of \$500. The penalty
67.6 collected is credited to the account.

67.7 **Sec. 24. [268B.19] SUBPOENAS; OATHS.**

67.8 (a) The commissioner or benefit judge has authority to administer oaths and affirmations,
67.9 take depositions, certify to official acts, and issue subpoenas to compel the attendance of
67.10 individuals and the production of documents and other personal property necessary in
67.11 connection with the administration of this chapter.

67.12 (b) Individuals subpoenaed, other than applicants or officers and employees of an
67.13 employer that is the subject of the inquiry, must be paid witness fees the same as witness
67.14 fees in civil actions in district court. The fees need not be paid in advance.

67.15 (c) The subpoena is enforceable through the district court in Ramsey County.

67.16 **Sec. 25. [268B.20] CONCILIATION SERVICES.**

67.17 The Department of Labor and Industry may offer conciliation services to employers and
67.18 employees to resolve disputes concerning alleged violations of employment protections
67.19 identified in section 268B.09.

67.20 **Sec. 26. [268B.21] ANNUAL REPORTS.**

67.21 (a) Annually, beginning on or before December 1, 2021, the commissioner must report
67.22 to the Department of Management and Budget and the house of representatives and senate
67.23 committee chairs with jurisdiction over this chapter on program administrative expenditures
67.24 and revenue collection for the prior fiscal year, including but not limited to:

67.25 (1) total revenue raised through premium collection;

67.26 (2) the number of self-employed individuals or independent contractors electing coverage
67.27 under section 268B.11 and amount of associated revenue;

67.28 (3) the number of covered business entities paying premiums under this chapter and
67.29 associated revenue;

68.1 (4) administrative expenditures including transfers to other state agencies expended in
68.2 the administration of the chapter;

68.3 (5) summary of contracted services expended in the administration of this chapter;

68.4 (6) grant amounts and recipients under section 268B.15;

68.5 (7) an accounting of required outreach expenditures;

68.6 (8) summary of private plan approvals including the number of employers and employees
68.7 covered under private plans; and

68.8 (9) adequacy and use of the private plan approval and oversight fee.

68.9 (b) Annually, beginning on or before December 1, 2022, the commissioner must publish
68.10 a publicly available report providing the following information for the previous fiscal year:

68.11 (1) total eligible claims;

68.12 (2) the number and percentage of claims attributable to each category of benefit;

68.13 (3) claimant demographics by age, gender, average weekly wage, occupation, and the
68.14 type of leave taken;

68.15 (4) the percentage of claims denied and the reasons therefor, including, but not limited
68.16 to insufficient information and ineligibility and the reason therefor;

68.17 (5) average weekly benefit amount paid for all claims and by category of benefit;

68.18 (6) changes in the benefits paid compared to previous fiscal years;

68.19 (7) processing times for initial claims processing, initial determinations, and final
68.20 decisions;

68.21 (8) average duration for cases completed; and

68.22 (9) the number of cases remaining open at the close of such year.

68.23 **Sec. 27. [268B.22] NOTICE REQUIREMENTS.**

68.24 (a) Each employer must post in a conspicuous place on each of its premises a workplace
68.25 notice prepared or approved by the commissioner providing notice of benefits available
68.26 under this chapter. The required workplace notice must be in English and each language
68.27 other than English which is the primary language of five or more employees or independent
68.28 contractors of that workplace, if such notice is available from the department.

68.29 (b) Each employer must issue to each employee not more than 30 days from the beginning
68.30 date of the employee's employment, or 30 days before premium collection begins, which

69.1 ever is later, the following written information provided or approved by the department in
69.2 the primary language of the employee:

69.3 (1) an explanation of the availability of family and medical leave benefits provided under
69.4 this chapter, including rights to reinstatement and continuation of health insurance;

69.5 (2) the amount of premium deductions made by the employer under this chapter;

69.6 (3) the employer's premium amount and obligations under this chapter;

69.7 (4) the name and mailing address of the employer;

69.8 (5) the identification number assigned to the employer by the department;

69.9 (6) instructions on how to file a claim for family and medical leave benefits;

69.10 (7) the mailing address, e-mail address, and telephone number of the department; and

69.11 (8) any other information required by the department.

69.12 Delivery is made when an employee provides written acknowledgment of receipt of the
69.13 information, or signs a statement indicating the employee's refusal to sign such
69.14 acknowledgment.

69.15 (c) Each employer shall provide to each independent contractor with whom it contracts,
69.16 at the time such contract is made or, for existing contracts, within 30 days of the effective
69.17 date of this section, the following written information provided or approved by the department
69.18 in the self-employed individual's primary language:

69.19 (1) the address and telephone number of the department; and

69.20 (2) any other information required by the department.

69.21 (d) An employer that fails to comply with this subsection may be issued, for a first
69.22 violation, a civil penalty of \$50 per employee and per independent contractor with whom
69.23 it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee
69.24 or self-employed individual with whom it has contracted. The employer shall have the
69.25 burden of demonstrating compliance with this section.

69.26 (e) Employer notice to an employee under this section may be provided in paper or
69.27 electronic format. For notice provided in electronic format only, the employer must provide
69.28 employee access to an employer-owner computer during an employee's regular working
69.29 hours to review and print required notices.

70.1 Sec. 28. **[268B.23] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

70.2 Subdivision 1. **Concurrent leave.** An employer may require leave taken under this
70.3 chapter to run concurrently with leave taken for the same purpose under section 181.941
70.4 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654,
70.5 as amended.

70.6 Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

70.7 (1) allow an employer to compel an employee to exhaust accumulated sick, vacation,
70.8 or personal time before or while taking leave under this chapter;

70.9 (2) prohibit an employer from providing additional benefits, including, but not limited
70.10 to, covering the portion of earnings not provided under this chapter during periods of leave
70.11 covered under this chapter; or

70.12 (3) limit the parties to a collective bargaining agreement from bargaining and agreeing
70.13 with respect to leave benefits and related procedures and employee protections that meet
70.14 or exceed, and do not otherwise conflict with, the minimum standards and requirements in
70.15 this chapter.

70.16 Sec. 29. **[268B.24] SMALL BUSINESS ASSISTANCE GRANTS.**

70.17 (a) Employers with 50 or fewer employees may apply to the department for grants under
70.18 this section.

70.19 (b) The commissioner may approve a grant of up to \$3,000 if the employer hires a
70.20 temporary worker to replace an employee on family or medical leave for a period of seven
70.21 days or more.

70.22 (c) For an employee's family or medical leave, the commissioner may approve a grant
70.23 of up to \$1,000 as reimbursement for significant additional wage-related costs due to the
70.24 employee's leave.

70.25 (d) To be eligible for consideration for a grant under this section, the employer must
70.26 provide the department written documentation showing the temporary worker hired or
70.27 significant wage-related costs incurred are due to an employee's use of leave under this
70.28 chapter.

70.29 (e) The grants under this section may be funded from the account.

70.30 (f) For the purposes of this section, the commissioner shall average the number of
70.31 employees reported by an employer over the last four completed calendar quarters to
70.32 determine the size of the employer.

71.1 (g) An employer who has an approved private plan is not eligible to receive a grant under
71.2 this section.

71.3 (h) The commissioner may award grants under this section only up to a maximum of
71.4 \$5,000,000 per calendar year.

71.5 Sec. 30. Minnesota Statutes 2018, section 290.0132, is amended by adding a subdivision
71.6 to read:

71.7 Subd. 23. **Benefits under chapter 268B.** The amount received in benefits under chapter
71.8 268B is a subtraction.

71.9 Sec. 31. **EFFECTIVE DATES.**

71.10 (a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid
71.11 until January 1, 2022, and thereafter.

71.12 (b) Sections 1, 2, 4, 5, and 6 are effective July 1, 2019.

71.13 (c) Section 15 is effective July 1, 2020.

71.14 (d) Sections 3, 17, 18, 22, 23, 24, and 26 are effective January 1, 2021.

71.15 (e) Sections 19 and 20 are effective July 1, 2021.

71.16 (f) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 21, 25, 27, 28, 29, and 30 are effective January
71.17 1, 2022.

71.18 **ARTICLE 3**

71.19 **FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS**

71.20 Section 1. Minnesota Statutes 2018, section 256J.561, is amended by adding a subdivision
71.21 to read:

71.22 Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets
71.23 the criteria under subdivision 2 and who receives benefits under chapter 268B is not required
71.24 to participate in employment services.

71.25 Sec. 2. Minnesota Statutes 2018, section 256J.95, subdivision 3, is amended to read:

71.26 Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of
71.27 family units listed in clauses (1) to (8), all family units who apply for cash benefits and who
71.28 meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must

72.1 participate in the diversionary work program. Family units or individuals that are not eligible
72.2 for the diversionary work program include:

72.3 (1) child only cases;

72.4 (2) single-parent family units that include a child under 12 months of age. A parent is
72.5 eligible for this exception once in a parent's lifetime;

72.6 (3) family units with a minor parent without a high school diploma or its equivalent;

72.7 (4) family units with an 18- or 19-year-old caregiver without a high school diploma or
72.8 its equivalent who chooses to have an employment plan with an education option;

72.9 (5) family units with a caregiver who received DWP benefits within the 12 months prior
72.10 to the month the family applied for DWP, except as provided in paragraph (c);

72.11 (6) family units with a caregiver who received MFIP within the 12 months prior to the
72.12 month the family applied for DWP;

72.13 (7) family units with a caregiver who received 60 or more months of TANF assistance;

72.14 ~~and~~

72.15 (8) family units with a caregiver who is disqualified from the work participation cash
72.16 benefit program, DWP, or MFIP due to fraud; and

72.17 (9) single-parent family units where a parent is receiving family and medical leave
72.18 benefits under chapter 268B.

72.19 (b) A two-parent family must participate in DWP unless both caregivers meet the criteria
72.20 for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a
72.21 parent who meets the criteria in paragraph (a), clause (6), (7), or (8).

72.22 (c) Once DWP eligibility is determined, the four months run consecutively. If a participant
72.23 leaves the program for any reason and reapplies during the four-month period, the county
72.24 must redetermine eligibility for DWP.

72.25 Sec. 3. Minnesota Statutes 2018, section 256J.95, subdivision 11, is amended to read:

72.26 Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers
72.27 who meet the criteria in paragraph (d), are required to participate in DWP employment
72.28 services. Except as specified in paragraphs (b) and (c), employment plans under DWP must,
72.29 at a minimum, meet the requirements in section 256J.55, subdivision 1.

72.30 (b) A caregiver who is a member of a two-parent family that is required to participate
72.31 in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed

73.1 to develop an employment plan under section 256J.521, subdivision 2, that may contain
73.2 alternate activities and reduced hours.

73.3 (c) A participant who is a victim of family violence shall be allowed to develop an
73.4 employment plan under section 256J.521, subdivision 3. A claim of family violence must
73.5 be documented by the applicant or participant by providing a sworn statement which is
73.6 supported by collateral documentation in section 256J.545, paragraph (b).

73.7 (d) One parent in a two-parent family unit ~~that has a natural born child under 12 months~~
73.8 ~~of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age~~
73.9 ~~unless the family unit has already used the exclusion under section 256J.561, subdivision~~
73.10 ~~3, or the previously allowed child under age one exemption under section 256J.56, paragraph~~
73.11 ~~(a), clause (5).~~ if that parent:

73.12 (1) receives family and medical leave benefits under chapter 268B; or

73.13 (2) has a natural born child under 12 months of age until the child reaches 12 months
73.14 of age unless the family unit has already used the exclusion under section 256J.561,
73.15 subdivision 3, or the previously allowed child under age one exemption under section
73.16 256J.56, paragraph (a), clause (5).

73.17 (e) The provision in paragraph (d) ends the first full month after the child reaches 12
73.18 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent
73.19 household, only one parent shall be allowed to use this category.

73.20 (f) The participant and job counselor must meet in the month after the month the child
73.21 reaches 12 months of age to revise the participant's employment plan. The employment plan
73.22 for a family unit that has a child under 12 months of age that has already used the exclusion
73.23 in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

73.24 Sec. 4. Minnesota Statutes 2018, section 256P.01, subdivision 3, is amended to read:

73.25 Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through
73.26 the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment
73.27 activities, net profit from self-employment activities, payments made by an employer for
73.28 regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits
73.29 paid under chapter 268B, payments from training programs at a rate at or greater than the
73.30 state's minimum wage, royalties, honoraria, or other profit from activity that results from
73.31 the client's work, service, effort, or labor. The income must be in return for, or as a result
73.32 of, legal activity.

74.1 Sec. 5. **EFFECTIVE DATES.**

74.2 Sections 1 to 4 are effective January 1, 2022.

74.3 **ARTICLE 4**

74.4 **ECONOMIC DEVELOPMENT POLICY**

74.5 Section 1. **[116J.545] GETTING TO WORK GRANT PROGRAM.**

74.6 Subdivision 1. **Creation.** The commissioner of employment and economic development
74.7 shall make grants to nonprofit organizations to establish and operate programs under this
74.8 section that provide, repair, or maintain motor vehicles to assist eligible individuals in
74.9 obtaining or maintaining employment. All grants shall be for two years.

74.10 Subd. 2. **Qualified grantee.** A grantee must:

74.11 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and

74.12 (2) at the time of application, offer or have the demonstrated capacity to offer a motor
74.13 vehicle program that provides the services required under subdivision 3.

74.14 Subd. 3. **Program requirements.** (a) A program must offer one or more of the following
74.15 services:

74.16 (1) provision of new or used motor vehicles by gift, sale, or lease;

74.17 (2) motor vehicle repair and maintenance services; or

74.18 (3) motor vehicle loans.

74.19 (b) In addition to the requirements of paragraph (a), a program must offer one or more
74.20 of the following services:

74.21 (1) financial literacy education;

74.22 (2) education on budgeting for vehicle ownership;

74.23 (3) car maintenance and repair instruction;

74.24 (4) credit counseling; or

74.25 (5) job training related to motor vehicle maintenance and repair.

74.26 Subd. 4. **Application.** An application for a grant must be on a form provided by the
74.27 commissioner and on a schedule set by the commissioner. An application must, in addition
74.28 to any other information required by the commissioner, include the following:

74.29 (1) a detailed description of all services to be offered;

- 75.1 (2) the area to be served;
- 75.2 (3) the estimated number of program participants to be served by the grant; and
- 75.3 (4) a plan for leveraging resources from partners that may include but are not limited
- 75.4 to:
- 75.5 (i) automobile dealers;
- 75.6 (ii) automobile parts dealers;
- 75.7 (iii) independent local mechanics and automobile repair facilities;
- 75.8 (iv) banks and credit unions;
- 75.9 (v) employers;
- 75.10 (vi) employment and training agencies;
- 75.11 (vii) insurance companies and agents;
- 75.12 (viii) local workforce centers; and
- 75.13 (ix) educational institutions including vocational institutions and jobs or skills training
- 75.14 programs.

75.15 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person

75.16 must:

- 75.17 (1) have a household income at or below 200 percent of the federal poverty level;
- 75.18 (2) be at least 18 years of age;
- 75.19 (3) have a valid driver's license;
- 75.20 (4) provide the grantee with proof of motor vehicle insurance; and
- 75.21 (5) demonstrate to the grantee that a motor vehicle is required by the person to obtain
- 75.22 or maintain employment.

75.23 (b) This subdivision does not preclude a grantee from imposing additional requirements

75.24 consistent with paragraph (a) for the receipt of program services.

75.25 Subd. 6. **Report to legislature.** By February 15, 2021, and each January 15 in an

75.26 odd-numbered year thereafter, the commissioner shall submit a report to the chairs of the

75.27 house of representatives and senate committees with jurisdiction over workforce and

75.28 economic development on program outcomes. At a minimum, the report must include:

- 75.29 (1) the total number of program participants;

76.1 (2) the number of program participants who received each of the following:

76.2 (i) provision of a motor vehicle;

76.3 (ii) motor vehicle repair services; and

76.4 (iii) motor vehicle loans;

76.5 (3) the number of program participants who report that they or their children were able
76.6 to increase their participation in community activities such as after-school programs, other
76.7 youth programs, church or civic groups, or library services as a result of participation in the
76.8 program; and

76.9 (4) an analysis of the impact of the getting to work grant program on the employment
76.10 rate and wages of program participants.

76.11 Sec. 2. Minnesota Statutes 2018, section 116J.8731, subdivision 5, is amended to read:

76.12 Subd. 5. **Grant limits.** A Minnesota investment fund grant may not be approved for an
76.13 amount in excess of \$1,000,000, except that a grant of up to \$2,000,000 is allowable for
76.14 projects that have at least \$25,000,000 in capital investment and 150 new employees. This
76.15 limit covers all money paid to complete the same project, whether paid to one or more grant
76.16 recipients and whether paid in one or more fiscal years. A local community or recognized
76.17 Indian tribal government may retain 40 percent, but not more than \$100,000, of a Minnesota
76.18 investment fund grant when it is repaid to the local community or recognized Indian tribal
76.19 government by the person or entity to which it was loaned by the local community or Indian
76.20 tribal government. Money repaid to the state must be credited to a Minnesota investment
76.21 revolving loan account in the state treasury. Funds in the account are appropriated to the
76.22 commissioner and must be used in the same manner as are funds appropriated to the
76.23 Minnesota investment fund. Funds repaid to the state through existing Minnesota investment
76.24 fund agreements must be credited to the Minnesota investment revolving loan account
76.25 effective July 1, 2005. A grant or loan may not be made to a person or entity for the operation
76.26 or expansion of a casino or a store which is used solely or principally for retail sales. Persons
76.27 or entities receiving grants or loans must pay each employee total compensation, including
76.28 benefits not mandated by law, that on an annualized basis is equal to at least ~~10~~ 125 percent
76.29 of the federal poverty level for a family of four.

76.30 Sec. 3. Minnesota Statutes 2018, section 116J.8748, subdivision 4, is amended to read:

76.31 Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job
76.32 creation fund business as eligible to receive a specific value of benefit under paragraphs (b)

77.1 and (c) when the business has achieved its job creation and capital investment goals noted
77.2 in its agreement under subdivision 3.

77.3 (b) A qualified Minnesota job creation fund business may be certified eligible for the
77.4 benefits in this paragraph for up to five years for projects located in the metropolitan area
77.5 as defined in section 200.02, subdivision 24, and seven years for projects located outside
77.6 the metropolitan area, as determined by the commissioner when considering the best interests
77.7 of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a),
77.8 clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located
77.9 outside the metropolitan area may be for up to seven years in length. The eligibility for the
77.10 following benefits begins the date the commissioner certifies the business as a qualified
77.11 Minnesota job creation fund business under this subdivision:

77.12 (1) up to five percent rebate for projects located in the metropolitan area as defined in
77.13 section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan
77.14 area, on capital investment on qualifying purchases as provided in subdivision 5 with the
77.15 total rebate for a project not to exceed \$500,000;

77.16 (2) an award of up to \$500,000 based on full-time job creation and wages paid as provided
77.17 in subdivision 6 with the total award not to exceed \$500,000;

77.18 (3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards
77.19 are allowable for projects that have at least \$25,000,000 in capital investment and 200 new
77.20 employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75
77.21 new employees for projects located outside the metropolitan area;

77.22 (4) up to \$1,000,000 in capital investment rebates are allowable for projects that have
77.23 at least \$25,000,000 in capital investment and 200 retained employees for projects located
77.24 in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for
77.25 projects located outside the metropolitan area; and

77.26 (5) for clauses (3) and (4) only, the capital investment expenditure requirements may
77.27 include the installation and purchases of machinery and equipment. These expenditures are
77.28 not eligible for the capital investment rebate provided under subdivision 5.

77.29 (c) The job creation award may be provided in multiple years as long as the qualified
77.30 Minnesota job creation fund business continues to meet the job creation goals provided for
77.31 in its agreement under subdivision 3 and the total award does not exceed \$500,000 except
77.32 as provided under paragraph (b), clauses (3) and (4).

78.1 (d) No rebates or award may be provided until the Minnesota job creation fund business
78.2 or a third party constructing or managing the project has at least \$500,000 in capital
78.3 investment in the project and at least ten full-time jobs have been created and maintained
78.4 for at least one year or the retained employees, as provided in paragraph (b), clause (4),
78.5 remain for at least one year. The agreement may require additional performance outcomes
78.6 that need to be achieved before rebates and awards are provided. If fewer retained jobs are
78.7 maintained, but still above the minimum under this subdivision, the capital investment
78.8 award shall be reduced on a proportionate basis.

78.9 (e) The forms needed to be submitted to document performance by the Minnesota job
78.10 creation fund business must be in the form and be made under the procedures specified by
78.11 the commissioner. The forms shall include documentation and certification by the business
78.12 that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66,
78.13 and other provisions as specified by the commissioner.

78.14 (f) Minnesota job creation fund businesses must pay each new full-time employee added
78.15 pursuant to the agreement total compensation, including benefits not mandated by law, that
78.16 on an annualized basis is equal to at least ~~110~~ 125 percent of the federal poverty level for
78.17 a family of four.

78.18 (g) A Minnesota job creation fund business must demonstrate reasonable progress on
78.19 capital investment expenditures within six months following designation as a Minnesota
78.20 job creation fund business to ensure that the capital investment goal in the agreement under
78.21 subdivision 1 will be met. Businesses not making reasonable progress will not be eligible
78.22 for benefits under the submitted application and will need to work with the local government
78.23 unit to resubmit a new application and request to be a Minnesota job creation fund business.
78.24 Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not
78.25 be considered a default of the business subsidy agreement.

78.26 Sec. 4. Minnesota Statutes 2018, section 116J.8748, subdivision 6, is amended to read:

78.27 Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is
78.28 eligible for an annual award for each new job created and maintained by the business using
78.29 the following schedule: \$1,000 for each job position paying annual wages at least ~~\$26,000~~
78.30 \$32,188 but ~~less than \$35,000~~ no more than \$37,707; \$2,000 for each job position paying
78.31 ~~at least \$35,000~~ more than \$37,707 but ~~less than \$45,000~~ no more than \$47,965; and \$3,000
78.32 for each job position paying ~~at least \$45,000~~ more than \$47,965; and as noted in the goals
78.33 under the agreement provided under subdivision 1. These awards are increased by \$1,000
78.34 if the business is located outside the metropolitan area as defined in section 200.02,

79.1 subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans,
79.2 women, or persons with a disability.

79.3 (b) The job creation award schedule must be adjusted annually using the percentage
79.4 increase in the federal poverty level for a family of four.

79.5 (c) Minnesota job creation fund businesses seeking an award credit provided under
79.6 subdivision 4 must submit forms and applications to the Department of Employment and
79.7 Economic Development as prescribed by the commissioner.

79.8 **Sec. 5. [116L.25] PATHWAYS TO PROSPERITY GRANT PROGRAM.**

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

79.11 (b) "Career pathway" means a career-readiness program, connected to a specific industry
79.12 sector, that combines basic skills training, education, and support services and results in
79.13 either industry-specific training or an employer-recognized credential.

79.14 (c) "Commissioner" means the commissioner of employment and economic development.

79.15 (d) "Pathways to prosperity grant program" or "grant program" means the competitive
79.16 grant program created in this section.

79.17 Subd. 2. **Establishment.** The commissioner shall establish a pathways to prosperity
79.18 grant program to award grants to organizations to train adults facing the greatest employment
79.19 disparities and to assist them in finding employment in high-demand occupations with
79.20 long-term employment opportunities.

79.21 Subd. 3. **Grant process.** (a) The commissioner shall award grants to organizations
79.22 through a competitive grant process.

79.23 (b) The commissioner shall develop grant-making criteria for the grant program. These
79.24 criteria shall include guidelines for multiple types of career pathways. These criteria shall
79.25 also consider a program's alignment with the labor market in the community where the
79.26 program operates and, where applicable, a program's previous grant performance. At least
79.27 once every biennium, the commissioner shall consult with workforce development service
79.28 providers on program criteria and administration.

79.29 (c) All reporting requirements for grant recipients shall be outlined in plain language in
79.30 both the request for proposal and the grant contract.

79.31 (d) The commissioner shall provide applicants with technical assistance with
79.32 understanding application procedures and program guidelines.

80.1 **Sec. 6. [116L.35] INVENTORY OF WORKFORCE DEVELOPMENT PROGRAMS.**

80.2 (a) By January 15, 2020, and by January 15 of each even-numbered year thereafter, the
80.3 commissioner of employment and economic development must submit a report to the chairs
80.4 of the legislative committees with jurisdiction over workforce development that provides
80.5 an inventory of all workforce development programs either provided by or overseen by any
80.6 branch of the state of Minnesota.

80.7 (b) Programs related to workforce development that must be included in the report
80.8 include those that:

80.9 (1) are federally funded or state funded;

80.10 (2) provide assistance to either businesses or individuals; or

80.11 (3) support internships, apprenticeships, career and technical education, or any form of
80.12 employment training.

80.13 (c) For each workforce development program, the report must include, at a minimum,
80.14 the following information:

80.15 (1) details of program costs;

80.16 (2) the number of staff, both within the department and any outside organization;

80.17 (3) the number of program participants;

80.18 (4) a short description of what each program does;

80.19 (5) to the extent practical, quantifiable measures of program success;

80.20 (6) any data necessary to describe the work of the program;

80.21 (7) any data necessary to describe or evaluate the success of the program; and

80.22 (8) a plan for how the program can best measure its success in a manner useful and
80.23 understandable to those responsible for funding the program in the future.

80.24 **Sec. 7. [116L.43] METROPOLITAN JOB TRAINING GRANTS.**

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

80.27 (b) "Agreement" means the agreement between an employer and the commissioner for
80.28 a project.

80.29 (c) "Commissioner" means the commissioner of employment and economic development.

- 81.1 (d) "Disability" has the meaning given under United States Code, title 42, chapter 126.
- 81.2 (e) "Employee" means the individual employed in a new job.
- 81.3 (f) "Employer" means the individual, corporation, partnership, limited liability company,
81.4 or association providing new jobs and entering into an agreement.
- 81.5 (g) "New job" means a job:
- 81.6 (1) that is provided by a new or expanding business in the manufacturing or technology
81.7 industry;
- 81.8 (2) that is located within the metropolitan area, as defined under section 473.121,
81.9 subdivision 2;
- 81.10 (3) that provides at least 32 hours of work per week for a minimum of nine months per
81.11 year and is permanent with no planned termination date;
- 81.12 (4) that is certified by the commissioner as qualifying under the program before the first
81.13 employee is hired to fill the job; and
- 81.14 (5) for which an employee hired was not:
- 81.15 (i) formerly employed by the employer in the state; or
- 81.16 (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.
- 81.17 (h) "Program" means the project or projects established under this section.
- 81.18 (i) "Program costs" means all necessary and incidental costs of providing program
81.19 services, except that program costs are increased by \$1,000 per employee for an individual
81.20 with a disability. The term does not include the cost of purchasing equipment to be owned
81.21 or used by the training or educational institution or service.
- 81.22 (j) "Program services" means training and education specifically directed to new jobs
81.23 that are determined to be appropriate by the commissioner, including in-house training;
81.24 services provided by institutions of higher education and federal, state, or local agencies;
81.25 or private training or educational services. Administrative services and assessment and
81.26 testing costs are included.
- 81.27 (k) "Project" means a training arrangement that is the subject of an agreement entered
81.28 into between the commissioner and an employer to provide program services.
- 81.29 Subd. 2. **Service provision.** Upon request, the commissioner shall provide or coordinate
81.30 the provision of program services under this section to a business eligible for grants under

82.1 subdivision 8. The commissioner shall specify the form of and required information to be
82.2 provided with applications for projects to be funded with grants under this section.

82.3 Subd. 3. **Agreements; required terms.** (a) The commissioner may enter into an
82.4 agreement to establish a project with an employer that:

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

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

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

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

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

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

82.16 (1) determine that sufficient funds for the project are available under subdivision 8; and

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

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

82.23 Subd. 4. **Grant funds sufficient.** The commissioner must not enter into an agreement
82.24 under subdivision 3 unless the commissioner determines that sufficient funds are available.

82.25 Subd. 5. **Grant limit.** The maximum grant amount for a project is \$400,000.

82.26 Subd. 6. **Allocation.** The commissioner shall allocate grant funds under subdivision 8
82.27 to project applications based on a first-come, first-served basis, determined on the basis of
82.28 the commissioner's receipt of a complete application for the project, including the provision
82.29 of all of the required information. The agreement must specify the amount of grant funds
82.30 available to the employer for each year covered by the agreement.

83.1 Subd. 7. **Application fee.** The commissioner may charge each employer an application
83.2 fee to cover part or all of the administrative and legal costs incurred, not to exceed \$500
83.3 per employer. The fee is deemed approved under section 16A.1283. The fee is deposited
83.4 in the metropolitan jobs training account in the special revenue fund and amounts in the
83.5 account are appropriated to the commissioner for the costs of administering the program.
83.6 The commissioner shall refund the fee to the employer if the application is denied because
83.7 program funding is unavailable.

83.8 Subd. 8. **Grants; recovery of program costs.** Amounts paid by employers for program
83.9 costs are repaid by a metropolitan job training grant equal to the lesser of the following:

83.10 (1) the amount of program costs specified in the agreement for the project; or

83.11 (2) the amount of program costs paid by the employer for new employees under a project.

83.12 Subd. 9. **Reports.** (a) By February 1, 2022, and each February 1 thereafter, the
83.13 commissioner shall report to the governor and the legislature on the program. The report
83.14 must include at least:

83.15 (1) the amount of grants issued under the program;

83.16 (2) the number of individuals receiving training under the program, including the number
83.17 of new hires who are individuals with disabilities;

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

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

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

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

83.23 Sec. 8. **[116L.9761] MINNESOTA CALL CENTER JOBS ACT.**

83.24 Sections 116L.9762 to 116L.9766 shall be known as the "Minnesota Call Center Jobs
83.25 Act."

83.26 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

83.27 Sec. 9. **[116L.9762] DEFINITIONS.**

83.28 Subdivision 1. **Application.** For the purposes of sections 116L.9762 to 116L.9766, the
83.29 terms defined in this section have the meanings given them.

83.30 Subd. 2. **Agency.** "Agency" means a state department under section 15.01.

84.1 Subd. 3. **Business entity.** "Business entity" means any organization, corporation, trust,
84.2 partnership, sole proprietorship, unincorporated association, or venture established to make
84.3 a profit, in whole or in part, by purposefully availing itself of the privilege of conducting
84.4 commerce in Minnesota.

84.5 Subd. 4. **Call center.** "Call center" means a facility or other operation with employees
84.6 who receive incoming telephone calls, e-mail, or other electronic communications for the
84.7 purpose of providing customer assistance or other service.

84.8 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of employment and
84.9 economic development.

84.10 Subd. 6. **Employer.** "Employer" means a business enterprise that employs, for the
84.11 purpose of customer service or back-office operations:

84.12 (1) 50 or more employees, excluding part-time employees; or

84.13 (2) 50 or more employees who, in the aggregate, work at least 1,500 hours per week,
84.14 exclusive of hours of overtime.

84.15 Subd. 7. **Part-time employee.** "Part-time employee" means an employee who is employed
84.16 for an average of fewer than 20 hours per week or who has been employed for fewer than
84.17 six of the 12 months preceding the date on which notice is required under section 116L.9763.

84.18 Subd. 8. **Relocating; relocation.** "Relocating" or "relocation" means the closure of a
84.19 call center, the cessation of operations of a call center, or one or more facilities or operating
84.20 units within a call center comprising at least 30 percent of the call center's or operating unit's
84.21 total volume when measured against the previous 12-month average call volume of operations
84.22 or substantially similar operations, to a location outside of the United States.

84.23 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

84.24 Sec. 10. **[116L.9763] CALL CENTER RELOCATIONS.**

84.25 (a) An employer must notify the commissioner if it intends to relocate from Minnesota
84.26 to a foreign country either of the following:

84.27 (1) a call center; or

84.28 (2) one or more facilities or operating units within a call center that comprise at least 30
84.29 percent of the call center's or operating unit's total volume when measured against the
84.30 previous 12-month average call volume of operations or substantially similar operations.

85.1 (b) The notification required under paragraph (a) must be given at least 120 days before
85.2 the relocation is to occur.

85.3 (c) An employer that violates paragraph (a) is subject to a civil penalty not to exceed
85.4 \$10,000 for each day of the violation, except that the commissioner may reduce the amount
85.5 for just cause shown.

85.6 (d) The commissioner shall compile a semiannual list of all employers that relocate a
85.7 call center, or one or more facilities or operating units within a call center comprising at
85.8 least 30 percent of the call center's total volume of operations, from the United States to a
85.9 foreign country, and distribute the list to all agencies.

85.10 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

85.11 Sec. 11. **[116L.9764] GRANTS; LOANS; SUBSIDIES.**

85.12 (a) Except as provided in paragraph (b) and notwithstanding any other provision of law,
85.13 an employer that appears on the list prepared under section 116L.9763 shall be ineligible
85.14 for any direct or indirect state grants or state guaranteed loans for five years after the date
85.15 the employer is placed on the list.

85.16 (b) Except as provided in paragraph (c) and notwithstanding any other provision of law,
85.17 an employer that appears on the list prepared under section 116L.9763 shall remit to the
85.18 commissioner of management and budget the unamortized value of any grants, guaranteed
85.19 loans, tax benefits, or other governmental support it has previously received.

85.20 (c) The commissioner of management and budget, in consultation with the commissioner
85.21 of the agency providing or administering the public subsidy, may waive the ineligibility
85.22 requirement under paragraph (a) if the employer applying for the loan or grant demonstrates
85.23 that not having the loan or grant would threaten national security, result in substantial job
85.24 loss in Minnesota, or harm the environment.

85.25 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

85.26 Sec. 12. **[116L.9765] PROCUREMENT.**

85.27 The commissioner of each agency shall ensure that all state business related call center
85.28 and customer service work be performed by state contractors or their agents or subcontractors
85.29 entirely within Minnesota. State contractors who currently perform work outside Minnesota
85.30 shall have two years following the effective date of this act to comply with this section.
85.31 Any new call center or customer service employees hired by the contractor during the
85.32 compliance period under this section must be employed in Minnesota.

86.1 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

86.2 Sec. 13. **[116L.9766] EMPLOYEE BENEFITS.**

86.3 Nothing in sections 116L.9762 to 116L.9766 shall be construed to permit the withholding
 86.4 or denial of payments, compensation, or benefits under any other state law, including state
 86.5 unemployment compensation, disability payments, or worker retraining or readjustment
 86.6 funds, to employees of employers that relocate to a foreign country.

86.7 **EFFECTIVE DATE.** This section is effective 180 days after final enactment

86.8 Sec. 14. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

| | | | | | |
|-------|---------------------------------------|--------------|------------|--------------|------------|
| 86.9 | Subd. 3. Workforce Development | \$ | 31,498,000 | \$ | 30,231,000 |
| 86.10 | Appropriations by Fund | | | | |
| 86.11 | General | \$6,239,000 | | \$5,889,000 | |
| 86.12 | Workforce | | | | |
| 86.13 | Development | \$25,259,000 | | \$24,342,000 | |

86.14 (a) \$500,000 each year is for the
 86.15 youth-at-work competitive grant program
 86.16 under Minnesota Statutes, section 116L.562.

86.17 Of this amount, up to five percent is for
 86.18 administration and monitoring of the youth
 86.19 workforce development competitive grant
 86.20 program. All grant awards shall be for two
 86.21 consecutive years. Grants shall be awarded in
 86.22 the first year. In fiscal year 2020 and beyond,
 86.23 the base amount is \$750,000.

86.24 (b) \$250,000 each year is for pilot programs
 86.25 in the workforce service areas to combine
 86.26 career and higher education advising.

86.27 (c) \$500,000 each year is for rural career
 86.28 counseling coordinator positions in the
 86.29 workforce service areas and for the purposes
 86.30 specified in Minnesota Statutes, section
 86.31 116L.667. The commissioner of employment
 86.32 and economic development, in consultation
 86.33 with local workforce investment boards and

87.1 local elected officials in each of the service
87.2 areas receiving funds, shall develop a method
87.3 of distributing funds to provide equitable
87.4 services across workforce service areas.

87.5 (d) \$1,000,000 each year is for a grant to the
87.6 Construction Careers Foundation for the
87.7 construction career pathway initiative to
87.8 provide year-round educational and
87.9 experiential learning opportunities for teens
87.10 and young adults under the age of 21 that lead
87.11 to careers in the construction industry. This is
87.12 a onetime appropriation. Grant funds must be
87.13 used to:

87.14 (1) increase construction industry exposure
87.15 activities for middle school and high school
87.16 youth, parents, and counselors to reach a more
87.17 diverse demographic and broader statewide
87.18 audience. This requirement includes, but is
87.19 not limited to, an expansion of programs to
87.20 provide experience in different crafts to youth
87.21 and young adults throughout the state;

87.22 (2) increase the number of high schools in
87.23 Minnesota offering construction classes during
87.24 the academic year that utilize a multicraft
87.25 curriculum;

87.26 (3) increase the number of summer internship
87.27 opportunities;

87.28 (4) enhance activities to support graduating
87.29 seniors in their efforts to obtain employment
87.30 in the construction industry;

87.31 (5) increase the number of young adults
87.32 employed in the construction industry and
87.33 ensure that they reflect Minnesota's diverse
87.34 workforce; and

88.1 (6) enhance an industrywide marketing
88.2 campaign targeted to youth and young adults
88.3 about the depth and breadth of careers within
88.4 the construction industry.

88.5 Programs and services supported by grant
88.6 funds must give priority to individuals and
88.7 groups that are economically disadvantaged
88.8 or historically underrepresented in the
88.9 construction industry, including but not limited
88.10 to women, veterans, and members of minority
88.11 and immigrant groups.

88.12 (e) \$1,539,000 each year from the general fund
88.13 and \$4,604,000 each year from the workforce
88.14 development fund are for the Pathways to
88.15 Prosperity adult workforce development
88.16 competitive grant program. Of this amount,
88.17 up to four percent is for administration and
88.18 monitoring of the program. When awarding
88.19 grants under this paragraph, the commissioner
88.20 of employment and economic development
88.21 may give preference to any previous grantee
88.22 with demonstrated success in job training and
88.23 placement for hard-to-train individuals. In
88.24 fiscal year 2020 and beyond, the general fund
88.25 base amount for this program is \$4,039,000.

88.26 (f) \$750,000 each year is for a competitive
88.27 grant program to provide grants to
88.28 organizations that provide support services for
88.29 individuals, such as job training, employment
88.30 preparation, internships, job assistance to
88.31 fathers, financial literacy, academic and
88.32 behavioral interventions for low-performing
88.33 students, and youth intervention. Grants made
88.34 under this section must focus on low-income
88.35 communities, young adults from families with

89.1 a history of intergenerational poverty, and
89.2 communities of color. Of this amount, up to
89.3 four percent is for administration and
89.4 monitoring of the program. In fiscal year 2020
89.5 and beyond, the base amount is \$1,000,000.

89.6 (g) \$500,000 each year is for the women and
89.7 high-wage, high-demand, nontraditional jobs
89.8 grant program under Minnesota Statutes,
89.9 section 116L.99. Of this amount, up to five
89.10 percent is for administration and monitoring
89.11 of the program. In fiscal year 2020 and
89.12 beyond, the base amount is \$750,000.

89.13 (h) \$500,000 each year is for a competitive
89.14 grant program for grants to organizations
89.15 providing services to relieve economic
89.16 disparities in the Southeast Asian community
89.17 through workforce recruitment, development,
89.18 job creation, assistance of smaller
89.19 organizations to increase capacity, and
89.20 outreach. Of this amount, up to five percent
89.21 is for administration and monitoring of the
89.22 program. In fiscal year 2020 and beyond, the
89.23 base amount is \$1,000,000.

89.24 (i) \$250,000 each year is for a grant to the
89.25 American Indian Opportunities and
89.26 Industrialization Center, in collaboration with
89.27 the Northwest Indian Community
89.28 Development Center, to reduce academic
89.29 disparities for American Indian students and
89.30 adults. This is a onetime appropriation. The
89.31 grant funds may be used to provide:

89.32 (1) student tutoring and testing support
89.33 services;

89.34 (2) training in information technology;

- 90.1 (3) assistance in obtaining a GED;
- 90.2 (4) remedial training leading to enrollment in
90.3 a postsecondary higher education institution;
- 90.4 (5) real-time work experience in information
90.5 technology fields; and
- 90.6 (6) contextualized adult basic education.
- 90.7 After notification to the legislature, the
90.8 commissioner may transfer this appropriation
90.9 to the commissioner of education.
- 90.10 (j) \$100,000 each year is for the getting to
90.11 work grant program. This is a onetime
90.12 appropriation and is available until June 30,
90.13 2021.
- 90.14 (k) \$525,000 each year is from the workforce
90.15 development fund for a grant to the YWCA
90.16 of Minneapolis to provide economically
90.17 challenged individuals the job skills training,
90.18 career counseling, and job placement
90.19 assistance necessary to secure a child
90.20 development associate credential and to have
90.21 a career path in early childhood education.
90.22 This is a onetime appropriation.
- 90.23 (l) \$1,350,000 each year is from the workforce
90.24 development fund for a grant to the Minnesota
90.25 High Tech Association to support
90.26 SciTechsperience, a program that supports
90.27 science, technology, engineering, and math
90.28 (STEM) internship opportunities for two- and
90.29 four-year college students and graduate
90.30 students in their field of study. The internship
90.31 opportunities must match students with paid
90.32 internships within STEM disciplines at small,
90.33 for-profit companies located in Minnesota,
90.34 having fewer than 250 employees worldwide.

91.1 At least 300 students must be matched in the
91.2 first year and at least 350 students must be
91.3 matched in the second year. No more than 15
91.4 percent of the hires may be graduate students.
91.5 Selected hiring companies shall receive from
91.6 the grant 50 percent of the wages paid to the
91.7 intern, capped at \$2,500 per intern. The
91.8 program must work toward increasing the
91.9 participation of women or other underserved
91.10 populations. This is a onetime appropriation.

91.11 (m) \$450,000 each year is from the workforce
91.12 development fund for grants to Minnesota
91.13 Diversified Industries, Inc. to provide
91.14 progressive development and employment
91.15 opportunities for people with disabilities. This
91.16 is a onetime appropriation.

91.17 (n) \$500,000 each year is from the workforce
91.18 development fund for a grant to Resource, Inc.
91.19 to provide low-income individuals career
91.20 education and job skills training that are fully
91.21 integrated with chemical and mental health
91.22 services. This is a onetime appropriation.

91.23 (o) \$750,000 each year is from the workforce
91.24 development fund for a grant to the Minnesota
91.25 Alliance of Boys and Girls Clubs to administer
91.26 a statewide project of youth job skills and
91.27 career development. This project, which may
91.28 have career guidance components including
91.29 health and life skills, is designed to encourage,
91.30 train, and assist youth in early access to
91.31 education and job-seeking skills, work-based
91.32 learning experience including career pathways
91.33 in STEM learning, career exploration and
91.34 matching, and first job placement through
91.35 local community partnerships and on-site job

92.1 opportunities. This grant requires a 25 percent
92.2 match from nonstate resources. This is a
92.3 onetime appropriation.

92.4 (p) \$215,000 each year is from the workforce
92.5 development fund for grants to Big Brothers,
92.6 Big Sisters of the Greater Twin Cities for
92.7 workforce readiness, employment exploration,
92.8 and skills development for youth ages 12 to
92.9 21. The grant must serve youth in the Twin
92.10 Cities, Central Minnesota, and Southern
92.11 Minnesota Big Brothers, Big Sisters chapters.
92.12 This is a onetime appropriation.

92.13 (q) \$250,000 each year is from the workforce
92.14 development fund for a grant to YWCA St.
92.15 Paul to provide job training services and
92.16 workforce development programs and
92.17 services, including job skills training and
92.18 counseling. This is a onetime appropriation.

92.19 (r) \$1,000,000 each year is from the workforce
92.20 development fund for a grant to EMERGE
92.21 Community Development, in collaboration
92.22 with community partners, for services
92.23 targeting Minnesota communities with the
92.24 highest concentrations of African and
92.25 African-American joblessness, based on the
92.26 most recent census tract data, to provide
92.27 employment readiness training, credentialed
92.28 training placement, job placement and
92.29 retention services, supportive services for
92.30 hard-to-employ individuals, and a general
92.31 education development fast track and adult
92.32 diploma program. This is a onetime
92.33 appropriation.

92.34 (s) \$1,000,000 each year is from the workforce
92.35 development fund for a grant to the

93.1 Minneapolis Foundation for a strategic
93.2 intervention program designed to target and
93.3 connect program participants to meaningful,
93.4 sustainable living-wage employment. This is
93.5 a onetime appropriation.

93.6 (t) \$750,000 each year is from the workforce
93.7 development fund for a grant to Latino
93.8 Communities United in Service (CLUES) to
93.9 expand culturally tailored programs that
93.10 address employment and education skill gaps
93.11 for working parents and underserved youth by
93.12 providing new job skills training to stimulate
93.13 higher wages for low-income people, family
93.14 support systems designed to reduce
93.15 intergenerational poverty, and youth
93.16 programming to promote educational
93.17 advancement and career pathways. At least
93.18 50 percent of this amount must be used for
93.19 programming targeted at greater Minnesota.
93.20 This is a onetime appropriation.

93.21 (u) \$600,000 each year is from the workforce
93.22 development fund for a grant to Ujamaa Place
93.23 for job training, employment preparation,
93.24 internships, education, training in the
93.25 construction trades, housing, and
93.26 organizational capacity building. This is a
93.27 onetime appropriation.

93.28 (v) \$1,297,000 in the first year and \$800,000
93.29 in the second year are from the workforce
93.30 development fund for performance grants
93.31 under Minnesota Statutes, section 116J.8747,
93.32 to Twin Cities R!SE to provide training to
93.33 hard-to-train individuals. Of the amounts
93.34 appropriated, \$497,000 in fiscal year 2018 is
93.35 for a grant to Twin Cities R!SE, in

94.1 collaboration with Metro Transit and Hennepin
94.2 Technical College for the Metro Transit
94.3 technician training program. This is a onetime
94.4 appropriation and funds are available until
94.5 June 30, 2020.

94.6 (w) \$230,000 in fiscal year 2018 is from the
94.7 workforce development fund for a grant to the
94.8 Bois Forte Tribal Employment Rights Office
94.9 (TERO) for an American Indian workforce
94.10 development training pilot project. This is a
94.11 onetime appropriation and is available until
94.12 June 30, 2019. Funds appropriated the first
94.13 year are available for use in the second year
94.14 of the biennium.

94.15 (x) \$40,000 in fiscal year 2018 is from the
94.16 workforce development fund for a grant to the
94.17 Cook County Higher Education Board to
94.18 provide educational programming and
94.19 academic support services to remote regions
94.20 in northeastern Minnesota. This appropriation
94.21 is in addition to other funds previously
94.22 appropriated to the board.

94.23 (y) \$250,000 each year is from the workforce
94.24 development fund for a grant to Bridges to
94.25 Healthcare to provide career education,
94.26 wraparound support services, and job skills
94.27 training in high-demand health care fields to
94.28 low-income parents, nonnative speakers of
94.29 English, and other hard-to-train individuals,
94.30 helping families build secure pathways out of
94.31 poverty while also addressing worker
94.32 shortages in one of Minnesota's most
94.33 innovative industries. Funds may be used for
94.34 program expenses, including, but not limited
94.35 to, hiring instructors and navigators; space

95.1 rental; and supportive services to help
95.2 participants attend classes, including assistance
95.3 with course fees, child care, transportation,
95.4 and safe and stable housing. In addition, up to
95.5 five percent of grant funds may be used for
95.6 Bridges to Healthcare's administrative costs.
95.7 This is a onetime appropriation and is
95.8 available until June 30, 2020.

95.9 (z) \$500,000 each year is from the workforce
95.10 development fund for a grant to the Nonprofits
95.11 Assistance Fund to provide capacity-building
95.12 grants to small, culturally specific
95.13 organizations that primarily serve historically
95.14 underserved cultural communities. Grants may
95.15 only be awarded to nonprofit organizations
95.16 that have an annual organizational budget of
95.17 less than \$500,000 and are culturally specific
95.18 organizations that primarily serve historically
95.19 underserved cultural communities. Grant funds
95.20 awarded must be used for:

95.21 (1) organizational infrastructure improvement,
95.22 including developing database management
95.23 systems and financial systems, or other
95.24 administrative needs that increase the
95.25 organization's ability to access new funding
95.26 sources;

95.27 (2) organizational workforce development,
95.28 including hiring culturally competent staff,
95.29 training and skills development, and other
95.30 methods of increasing staff capacity; or

95.31 (3) creation or expansion of partnerships with
95.32 existing organizations that have specialized
95.33 expertise in order to increase the capacity of
95.34 the grantee organization to improve services
95.35 for the community. Of this amount, up to five

96.1 percent may be used by the Nonprofits
96.2 Assistance Fund for administration costs and
96.3 providing technical assistance to potential
96.4 grantees. This is a onetime appropriation.

96.5 (aa) \$4,050,000 each year is from the
96.6 workforce development fund for the
96.7 Minnesota youth program under Minnesota
96.8 Statutes, sections 116L.56 and 116L.561.

96.9 (bb) \$1,000,000 each year is from the
96.10 workforce development fund for the
96.11 youthbuild program under Minnesota Statutes,
96.12 sections 116L.361 to 116L.366.

96.13 (cc) \$3,348,000 each year is from the
96.14 workforce development fund for the "Youth
96.15 at Work" youth workforce development
96.16 competitive grant program. Of this amount,
96.17 up to five percent is for administration and
96.18 monitoring of the youth workforce
96.19 development competitive grant program. All
96.20 grant awards shall be for two consecutive
96.21 years. Grants shall be awarded in the first year.

96.22 (dd) \$500,000 each year is from the workforce
96.23 development fund for the Opportunities
96.24 Industrialization Center programs.

96.25 (ee) \$750,000 each year is from the workforce
96.26 development fund for a grant to Summit
96.27 Academy OIC to expand its contextualized
96.28 GED and employment placement program.
96.29 This is a onetime appropriation.

96.30 (ff) \$500,000 each year is from the workforce
96.31 development fund for a grant to
96.32 Goodwill-Easter Seals Minnesota and its
96.33 partners. The grant shall be used to continue
96.34 the FATHER Project in Rochester, Park

97.1 Rapids, St. Cloud, Minneapolis, and the
97.2 surrounding areas to assist fathers in
97.3 overcoming barriers that prevent fathers from
97.4 supporting their children economically and
97.5 emotionally. This is a onetime appropriation.

97.6 (gg) \$150,000 each year is from the workforce
97.7 development fund for displaced homemaker
97.8 programs under Minnesota Statutes, section
97.9 116L.96. The commissioner shall distribute
97.10 the funds to existing nonprofit and state
97.11 displaced homemaker programs. This is a
97.12 onetime appropriation.

97.13 (hh)(1) \$150,000 in fiscal year 2018 is from
97.14 the workforce development fund for a grant
97.15 to Anoka County to develop and implement
97.16 a pilot program to increase competitive
97.17 employment opportunities for transition-age
97.18 youth ages 18 to 21.

97.19 (2) The competitive employment for
97.20 transition-age youth pilot program shall
97.21 include career guidance components, including
97.22 health and life skills, to encourage, train, and
97.23 assist transition-age youth in job-seeking
97.24 skills, workplace orientation, and job site
97.25 knowledge.

97.26 (3) In operating the pilot program, Anoka
97.27 County shall collaborate with schools,
97.28 disability providers, jobs and training
97.29 organizations, vocational rehabilitation
97.30 providers, and employers to build upon
97.31 opportunities and services, to prepare
97.32 transition-age youth for competitive
97.33 employment, and to enhance employer
97.34 connections that lead to employment for the
97.35 individuals served.

98.1 (4) Grant funds may be used to create an
98.2 on-the-job training incentive to encourage
98.3 employers to hire and train qualifying
98.4 individuals. A participating employer may
98.5 receive up to 50 percent of the wages paid to
98.6 the employee as a cost reimbursement for
98.7 on-the-job training provided.

98.8 (ii) \$500,000 each year is from the workforce
98.9 development fund for rural career counseling
98.10 coordinator positions in the workforce service
98.11 areas and for the purposes specified in
98.12 Minnesota Statutes, section 116L.667. The
98.13 commissioner of employment and economic
98.14 development, in consultation with local
98.15 workforce investment boards and local elected
98.16 officials in each of the service areas receiving
98.17 funds, shall develop a method of distributing
98.18 funds to provide equitable services across
98.19 workforce service areas.

98.20 (jj) In calendar year 2017, the public utility
98.21 subject to Minnesota Statutes, section
98.22 116C.779, must withhold \$1,000,000 from the
98.23 funds required to fulfill its financial
98.24 commitments under Minnesota Statutes,
98.25 section 116C.779, subdivision 1, and pay such
98.26 amounts to the commissioner of employment
98.27 and economic development for deposit in the
98.28 Minnesota 21st century fund under Minnesota
98.29 Statutes, section 116J.423.

98.30 (kk) \$350,000 in fiscal year 2018 is for a grant
98.31 to AccessAbility Incorporated to provide job
98.32 skills training to individuals who have been
98.33 released from incarceration for a felony-level
98.34 offense and are no more than 12 months from
98.35 the date of release. AccessAbility Incorporated

99.1 shall annually report to the commissioner on
99.2 how the money was spent and the results
99.3 achieved. The report must include, at a
99.4 minimum, information and data about the
99.5 number of participants; participant
99.6 homelessness, employment, recidivism, and
99.7 child support compliance; and training
99.8 provided to program participants.

99.9 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

99.10 Sec. 15. **PLAN TO ADDRESS BARRIERS TO EMPLOYMENT.**

99.11 The commissioner of employment and economic development must consult with the
99.12 commissioners of health and human services and stakeholders in order to identify the barriers
99.13 that people with mental illness face in obtaining employment and all current programs that
99.14 assist people with mental illness in obtaining employment. Stakeholders shall include people
99.15 with mental illness and their families, mental health advocates, mental health providers,
99.16 and employers. The commissioner of employment and economic development shall submit
99.17 a detailed plan to the legislative committees with jurisdiction over employment and human
99.18 services before February 1, 2020, identifying the barriers to employment and making
99.19 recommendations on how to best improve the employment rate among people with mental
99.20 illness.

99.21 Sec. 16. **INNOVATIONS IN SPECIAL EDUCATION EMPLOYMENT (ISEE)**
99.22 **PILOT PROJECT.**

99.23 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
99.24 subdivision have the meanings given.

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

99.26 (c) "Eligible provider" means an organization currently eligible to provide services
99.27 through the extended employment program under Minnesota Statutes, section 268A.15.

99.28 (d) "Eligible student" means:

99.29 (1) a student receiving special instruction under Minnesota Statutes, section 125A.03,
99.30 who has completed at least three years of high school; or

100.1 (2) an individual under the age of 25 who has graduated from secondary school after
100.2 receiving special instruction under Minnesota Statutes, section 125A.03, but has not had
100.3 competitive wage employment in an integrated community setting.

100.4 (e) "Pilot" means the innovations in special education employment (ISEE) pilot project
100.5 established under this section.

100.6 Subd. 2. **Establishment.** The commissioner shall establish an innovations in special
100.7 education employment (ISEE) pilot project designed to transition special education graduates
100.8 into competitive wage employment in integrated community settings.

100.9 Subd. 3. **Services.** Eligible providers wishing to participate in the pilot must notify the
100.10 commissioner, on a form designated by the commissioner, of the intent to provide an eligible
100.11 student with one of the following services:

100.12 (1) comprehensive job preparation training that must provide an eligible student with at
100.13 least 20 hours in a classroom setting, resume preparation, and assistance in establishing a
100.14 bank account;

100.15 (2) job shadowing experiences where eligible students can observe at least 30 hours of
100.16 workplace activity for a job similar to one the eligible student might be hired for. Eligible
100.17 providers shall facilitate transportation to and from the workplace for the eligible student;
100.18 and

100.19 (3) employment placement services to match eligible students with appropriate
100.20 employment paying at least the minimum wage in an integrated community setting. Eligible
100.21 providers shall support such placements with training for the employer and the eligible
100.22 student, both before and after hiring, to foster success.

100.23 Subd. 4. **Payments.** Eligible providers may apply to the commissioner, on a form
100.24 designated by the commissioner, for the following payments for performance:

100.25 (1) \$1,000 for each eligible student certified to have completed the services under
100.26 subdivision 3, clause (1);

100.27 (2) \$1,000 for each eligible student certified to have completed the services under
100.28 subdivision 3, clause (2); and

100.29 (3) \$3,000 for each eligible student certified to have completed 90 days of employment
100.30 after receiving the services under subdivision 3, clause (3).

100.31 Subd. 5. **Forms.** By October 1, 2019, the commissioner must make available the forms
100.32 necessary for eligible providers to participate in the pilot. These must include:

101.1 (1) a form to notify the commissioner of the intent to provide an eligible student with a
101.2 service under subdivision 3; and

101.3 (2) a form to certify to the commissioner that an eligible student from clause (1) was
101.4 provided the service under subdivision 3, and to apply for payment for performance of that
101.5 service under subdivision 4.

101.6 **Sec. 17. MINNESOTA INNOVATION COLLABORATIVE.**

101.7 Subdivision 1. **Establishment.** The Minnesota Innovation Collaborative is established
101.8 within the Business and Community Development Division of the Department of
101.9 Employment and Economic Development to encourage and support the development of
101.10 new private sector technologies and support the science and technology policies under
101.11 Minnesota Statutes, section 3.222. The Minnesota Innovation Collaborative must provide
101.12 entrepreneurs and emerging technology-based companies business development assistance
101.13 and financial assistance to spur growth.

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

101.16 (b) "Advisory board" means the board established under subdivision 11.

101.17 (c) "Commissioner" means the commissioner of employment and economic development.

101.18 (d) "Department" means the Department of Employment and Economic Development.

101.19 (e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business
101.20 entity and secures resources directed to its growth while bearing the risk of loss.

101.21 (f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan
101.22 area as defined in section 473.121, subdivision 2.

101.23 (g) "High technology" includes aerospace, agricultural processing, renewable energy,
101.24 energy efficiency and conservation, environmental engineering, food technology, cellulosic
101.25 ethanol, information technology, materials science technology, nanotechnology,
101.26 telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics,
101.27 biologicals, chemistry, veterinary science, and similar fields.

101.28 (h) "Institution of higher education" has the meaning given in Minnesota Statutes, section
101.29 136A.28, subdivision 6.

101.30 (i) "Minority group member" means a United States citizen who is Asian, Pacific Islander,
101.31 Black, Hispanic, or Native American.

102.1 (j) "Minority-owned business" means a business for which one or more minority group
102.2 members:

102.3 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
102.4 own at least 51 percent of the stock; and

102.5 (2) manage the business and control the daily business operations.

102.6 (k) "Research and development" means any activity that is:

102.7 (1) a systematic, intensive study directed toward greater knowledge or understanding
102.8 of the subject studies;

102.9 (2) a systematic study directed specifically toward applying new knowledge to meet a
102.10 recognized need; or

102.11 (3) a systematic application of knowledge toward the production of useful materials,
102.12 devices, systems and methods, including design, development and improvement of prototypes
102.13 and new processes to meet specific requirements.

102.14 (l) "Start-up" means a business entity that has been in operation for less than ten years,
102.15 has operations in Minnesota, and is in the development stage defined as devoting substantially
102.16 all of its efforts to establishing a new business and either of the following conditions exists:

102.17 (1) planned principal operations have not commenced; or

102.18 (2) planned principal operations have commenced, but have generated less than
102.19 \$1,000,000 in revenue.

102.20 (m) "Technology-related assistance" means the application and utilization of
102.21 technological-information and technologies to assist in the development and production of
102.22 new technology-related products or services or to increase the productivity or otherwise
102.23 enhance the production or delivery of existing products or services.

102.24 (n) "Trade association" means a nonprofit membership organization organized to promote
102.25 businesses and business conditions and having an election under Internal Revenue Code
102.26 section 501(c)(3) or 501(c)(6).

102.27 (o) "Women" means persons of the female gender.

102.28 (p) "Women-owned business" means a business for which one or more women:

102.29 (1) own at least 50 percent of the business or, in the case of a publicly owned business,
102.30 own at least 51 percent of the stock; and

102.31 (2) manage the business and control the daily business operations.

103.1 Subd. 3. **Duties.** The Minnesota Innovation Collaborative shall:

103.2 (1) support innovation and initiatives designed to accelerate the growth of high-technology
103.3 start-ups in Minnesota;

103.4 (2) offer classes and instructional sessions on how to start a high-tech and innovative
103.5 start-up;

103.6 (3) promote activities for entrepreneurs and investors regarding the state's growing
103.7 innovation economy;

103.8 (4) hold events and meetings that gather key stakeholders in the state's innovation sector;

103.9 (5) conduct outreach and education on innovation activities and related financial programs
103.10 available from the department and other organizations, particularly for underserved
103.11 communities;

103.12 (6) interact and collaborate with statewide partners including but not limited to businesses,
103.13 nonprofits, trade associations, and higher education institutions;

103.14 (7) administer an advisory board to assist with direction, grant application review,
103.15 program evaluation, report development, and partnerships;

103.16 (8) commission research in partnership with the University of Minnesota and Minnesota
103.17 State Colleges and Universities to study innovation and its impacts on the state's economy
103.18 with emphasis on the state's labor market;

103.19 (9) accept grant applications under subdivisions 5 and 6 and work with the advisory
103.20 board to evaluate the applications and provide funding recommendations to the commissioner;
103.21 and

103.22 (10) perform other duties at the commissioner's discretion.

103.23 Subd. 4. **Administration.** (a) The department shall employ an executive director in the
103.24 unclassified service. The executive director shall:

103.25 (1) hire no more than two staff;

103.26 (2) assist the commissioner and the advisory board in performing the duties of the
103.27 Minnesota Innovation Collaborative; and

103.28 (3) comply with all state and federal program requirements, and all state and federal
103.29 securities and tax laws and regulations.

103.30 (b) To the extent possible, the space that the Minnesota Innovation Collaborative shall
103.31 occupy and lease must be a private coworking facility that includes office space for staff

104.1 and space for community engagement for training entrepreneurs. The space leased under
104.2 this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24,
104.3 subdivision 6.

104.4 (c) Except for grants under subdivision 7, the Minnesota Innovation Collaborative must
104.5 accept grant applications under this section and provide funding recommendations to the
104.6 commissioner, who shall distribute grants based in part on the recommendations.

104.7 Subd. 5. **Application process.** (a) The commissioner shall establish the application form
104.8 and procedures for innovation grants.

104.9 (b) Upon receiving recommendations from the Minnesota Innovation Collaborative
104.10 under subdivision 4, paragraph (c), the department is responsible for evaluating all
104.11 applications using evaluation criteria developed by the Minnesota Innovation Collaborative,
104.12 the advisory board, and the commissioner. Priority shall be given if the applicant is:

104.13 (1) a business or entrepreneur located in greater Minnesota; or

104.14 (2) a business owner or entrepreneur who is a woman or minority group member.

104.15 (c) The department staff, and not the Minnesota Innovation Collaborative staff, is
104.16 responsible for awarding funding, disbursing funds, and monitoring grantee performance
104.17 for all grants awarded under this section.

104.18 (d) Grantees must provide matching funds by equal expenditures and grant payments
104.19 must be provided on a reimbursement basis after review of submitted receipts by the
104.20 department.

104.21 (e) Grant applications must be accepted on a regular periodic basis by the Minnesota
104.22 Innovation Collaborative and must be reviewed by the collaborative and the advisory board
104.23 before being submitted to the commissioner with their recommendations.

104.24 Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants
104.25 under this subdivision.

104.26 (b) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
104.27 entrepreneur for research and development expenses. Research and development expenditures
104.28 may be related but not limited to proof of concept activities, intellectual property protection,
104.29 prototype designs and production, and commercial feasibility. Expenditures funded under
104.30 this subdivision are not eligible for the research and development tax credit under Minnesota
104.31 Statutes, section 290.068. Each business or entrepreneur may receive only one grant under
104.32 this paragraph.

105.1 (c) The commissioner shall provide a grant of up to \$25,000 to an eligible start-up or
105.2 entrepreneur for direct business expenses including but not limited to rent, equipment
105.3 purchases, supplier invoices, and staffing. Taxes imposed by the federal, state, or local
105.4 government entities may be not be reimbursed under this paragraph. Each start-up or
105.5 entrepreneur may receive only one grant under this paragraph.

105.6 (d) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur
105.7 for health care, housing, or child care expenses for the entrepreneur, spouse, or children 26
105.8 years of age or younger. Each entrepreneur may receive only one grant under this paragraph.

105.9 (e) The commissioner shall provide a grant of up to \$50,000 to an eligible business or
105.10 entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR)
105.11 program, has been awarded a Phase 2 award pursuant to the SBIR or Small Business
105.12 Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur
105.13 may receive only one grant under this paragraph. Grants under this paragraph are not subject
105.14 to the requirements of subdivision 2, paragraph (l), and are awarded without the review or
105.15 recommendation of the Minnesota Innovation Collaborative.

105.16 (f) The commissioner shall provide a grant of up to \$25,000 to provide financing to
105.17 start-ups to purchase technical assistance and services from public higher education
105.18 institutions and nonprofit entities to assist in the development or commercialization of
105.19 innovative new products or services.

105.20 Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur
105.21 education grants to institutions of higher education and other organizations to provide
105.22 educational programming to entrepreneurs and provide outreach to and collaboration with
105.23 businesses, federal and state agencies, institutions of higher education, trade associations,
105.24 and other organizations working to advance innovative, high technology businesses
105.25 throughout Minnesota.

105.26 (b) Applications for entrepreneur education grants under this subdivision must be
105.27 submitted to the commissioner and evaluated by department staff other than the Minnesota
105.28 Innovation Collaborative. The evaluation criteria must be developed by the Minnesota
105.29 Innovation Collaborative, the advisory board, and the commissioner with priority given to
105.30 an applicant who demonstrates activity assisting businesses or entrepreneurs residing in
105.31 greater Minnesota or who are women or minority group members.

105.32 (c) Department staff other than the Minnesota Innovation Collaborative staff is responsible
105.33 for awarding funding, disbursing funds, and monitoring grantee performance under this
105.34 subdivision.

106.1 (d) Grantees may use the grant funds to deliver the following services:

106.2 (1) development and delivery to high technology businesses of industry specific or
106.3 innovative product or process specific counseling on issues of business formation, market
106.4 structure, market research and strategies, securing first mover advantage or overcoming
106.5 barriers to entry, protecting intellectual property, and securing debt or equity capital. This
106.6 counseling is to be delivered in a classroom setting or using distance media presentations;

106.7 (2) outreach and education to businesses and organizations on the small business
106.8 investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest
106.9 crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs
106.10 that support high technology business creation especially in underserved communities;

106.11 (3) collaboration with institutions of higher education, local organizations, federal and
106.12 state agencies, the Small Business Development Center, and the Small Business Assistance
106.13 Office to create and offer educational programming and ongoing counseling in greater
106.14 Minnesota that is consistent with those services offered in the metropolitan area; and

106.15 (4) events and meetings with other innovation-related organizations to inform
106.16 entrepreneurs and potential investors about Minnesota's growing information economy.

106.17 Subd. 8. **Report.** The Minnesota Innovation Collaborative shall report by February 1,
106.18 2020, and again on February 1, 2021, to the chairs and ranking minority members of the
106.19 committees of the house of representatives and senate having jurisdiction over economic
106.20 development policy and finance issues on the work completed, including awards made by
106.21 the department under this section.

106.22 Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to
106.23 advise the executive director regarding the activities of the Minnesota Innovation
106.24 Collaborative and to perform the recommendations described in this section.

106.25 (b) The advisory board shall consist of ten members and is governed by Minnesota
106.26 Statutes, section 15.059. A minimum of six members must be from the private sector
106.27 representing business and at least two members but no more than four members from
106.28 government and higher education. Appointees shall represent a range of interests, including
106.29 entrepreneurs, large businesses, industry organizations, investors, and both public and private
106.30 small business service providers.

106.31 (c) The advisory board shall select a chair from its private sector members. The executive
106.32 director shall provide administrative support to the committee.

107.1 Sec. 18. **CHILD CARE ECONOMIC DEVELOPMENT GRANT PROGRAM.**

107.2 **Subdivision 1. Establishment.** A grant program is established under the Department of
107.3 Employment and Economic Development to award grants to eligible local communities to
107.4 increase the availability of child care in order to reduce the child care shortage in the
107.5 community, and support increased workforce participation, business expansion and retention,
107.6 and new business location.

107.7 **Subd. 2. Definitions.** For the purposes of this section, the following terms have the
107.8 meanings given them:

107.9 (1) "commissioner" means the commissioner of employment and economic development;

107.10 (2) "child care" has the meaning given in section 119B.011;

107.11 (3) "political subdivision" means a county, statutory or home rule charter city, or school
107.12 district; and

107.13 (4) "Indian tribe" means one of the federally recognized Minnesota tribes listed in section
107.14 3.922, subdivision 1, clause (1).

107.15 **Subd. 3. Eligible expenditures.** The commissioner may make grants under this section
107.16 to implement solutions to reduce the child care shortage in the state including but not limited
107.17 to funding for child care business start-ups or expansions, training, facility modifications
107.18 or improvements required for licensing, and assistance with licensing and other regulatory
107.19 requirements.

107.20 **Subd. 4. Eligible applicants.** Eligible applicants for grants awarded under this section
107.21 include:

107.22 (1) a political subdivision;

107.23 (2) an Indian tribe;

107.24 (3) a Minnesota nonprofit organization organized under chapter 317 having experience
107.25 in one or more of the following: the operation of, planning for, financing of, advocacy for,
107.26 or advancement of the delivery of child care services in a defined service area spanning the
107.27 boundaries of one or more political subdivisions.

107.28 **Subd. 5. Application process.** (a) An eligible applicant must submit an application to
107.29 the commissioner on a form prescribed by the commissioner. The commissioner shall
107.30 develop procedures governing the application and grant award process. The commissioner
107.31 shall act as fiscal agent for the grant program and shall be responsible for receiving and
107.32 reviewing grant applications and awarding grants under this section.

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

108.5 Subd. 6. **Application contents.** An applicant for a grant under this section shall provide
108.6 the following information on the application:

108.7 (1) the service area of the project;

108.8 (2) the project budget;

108.9 (3) evidence of the child care shortage in the community in which the project is to be
108.10 located;

108.11 (4) the number of licensed child care slots that will be created as a result of the project;

108.12 (5) the number of families with children under age six that will have access to child care
108.13 as a result of the project;

108.14 (6) community employers and businesses that will benefit from the proposed project;

108.15 (7) evidence of community support for the project;

108.16 (8) the total cost of the project;

108.17 (9) sources of funding or in-kind contributions for the project that will supplement any
108.18 grant award; and

108.19 (10) any additional information requested by the commissioner.

108.20 Subd. 7. **Awarding grants.** (a) In evaluating applications and awarding grants, the
108.21 commissioner may give priority to applications that:

108.22 (1) are in areas that have a documented shortage of affordable quality child care;

108.23 (2) demonstrate programmatic or financial collaborations and partnering among private
108.24 sector employers, public and nonprofit organizations within geographic areas;

108.25 (3) serve areas of the state experiencing worker shortages, low prime age workforce
108.26 participation rates, or prime age worker population loss that is significantly greater than the
108.27 statewide average;

108.28 (4) provide evidence of strong support for the project from citizens, government,
108.29 businesses, and institutions in the community;

109.1 (5) leverage greater amounts of funding for the project from private and nonstate public
109.2 sources.

109.3 (b) The commissioner shall endeavor to award grants under this section to qualified
109.4 applicants in all regions of the state.

109.5 Subd. 8. **Limitation.** (a) No grant awarded under this section may fund more than 50
109.6 percent of the total cost of a project.

109.7 (b) Grants awarded to a single project under this section must not exceed \$100,000.

109.8 Sec. 19. **COMMUNITY PROSPERITY GRANT PROGRAM.**

109.9 Subdivision 1. **Establishment; purpose.** The community prosperity grant program is
109.10 established to provide grants to public or 501(c)(3) nonprofit entities to implement innovative
109.11 economic development projects that will support economic growth in their community.

109.12 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
109.13 meanings given them:

109.14 (1) "economic development" means activities, services, investments, and infrastructure
109.15 that support the economic success of individuals, businesses, and communities by facilitating
109.16 an economic environment that produces net new jobs;

109.17 (2) "innovative project" means the provision of a public service or good that was absent
109.18 in the community or of insufficient quantity or quality;

109.19 (3) "local governmental unit" means a county, city, town, special district, public higher
109.20 education institution, or other political subdivision or public corporation; and

109.21 (4) "community" means any geographic area defined by one or more census tracts.

109.22 Subd. 3. **Community prosperity grants.** The commissioner of employment and
109.23 economic development shall:

109.24 (1) develop and implement a community prosperity grant program that will provide
109.25 matching grants up to 85 percent of total project cost up to \$100,000 to implement innovative
109.26 economic development projects that will induce economic growth in their community;

109.27 (2) develop a request for proposals;

109.28 (3) review responses to requests for proposals and award grants under this section;

109.29 (4) establish a transparent and objective accountability process focused on outcomes
109.30 that grantees agree to achieve; and

110.1 (5) maintain data on outcomes reported by grantees.

110.2 Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this
110.3 section include:

110.4 (1) local government units; and

110.5 (2) nonprofit 501(c)(3) organizations that have established partnerships with one or more
110.6 local government units to implement economic development projects or activities.

110.7 Subd. 5. **Priority of proposals; grant awards.** The commissioner shall prioritize the
110.8 award of grants to proposals that demonstrate that the project:

110.9 (1) will serve communities with a population of 5,000 or less;

110.10 (2) will support community groups or neighborhood organizations within one of the 128
110.11 federally designated opportunity zones;

110.12 (3) will support the economic success of individuals, businesses, and communities by
110.13 facilitating an economic environment that produces net new jobs;

110.14 (4) will provide public services or goods that was absent in the community or of
110.15 insufficient quantity or quality;

110.16 (5) serves a defined geographic area; racial, ethnic, or minority community; or American
110.17 Indian community experiencing any the following: below state average wages, above state
110.18 average unemployment rate, or below state average labor force participation rate;

110.19 (6) will be sustainable or continue to have impact beyond the one-time funding from
110.20 this program;

110.21 (7) will be successfully implemented based on the qualifications of the lead organization;
110.22 and

110.23 (8) will serve two or more local government units.

110.24 Subd. 6. **Geographic distribution of grants.** The commissioner shall ensure that a
110.25 minimum of 50 percent of grants are awarded to communities outside the seven-county
110.26 metropolitan area.

110.27 Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on
110.28 the forms and according to the timelines established by the commissioner.

111.1 Sec. 20. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA
111.2 INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

111.3 (a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or
111.4 statutory city, county, or town that has uncommitted money received from repayment of
111.5 funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20
111.6 percent of the balance of that money to the state general fund before June 30, 2020. Any
111.7 local entity that does so may then use the remaining 80 percent of the uncommitted money
111.8 as a general purpose aid for any lawful expenditure.

111.9 (b) By February 15, 2021, a home rule charter or statutory city, county, or town that
111.10 exercises the option under paragraph (a) shall submit to the chairs and ranking minority
111.11 members of the legislative committees with jurisdiction over economic development policy
111.12 and finance an accounting and explanation of the use and distribution of the funds.

111.13 **ARTICLE 5**

111.14 **WAGE THEFT**

111.15 Section 1. Minnesota Statutes 2018, section 16C.285, subdivision 3, is amended to read:

111.16 Subd. 3. **Minimum criteria.** "Responsible contractor" means a contractor that conforms
111.17 to the responsibility requirements in the solicitation document for its portion of the work
111.18 on the project and verifies that it meets the following minimum criteria:

111.19 (1) the contractor:

111.20 (i) is in compliance with workers' compensation and unemployment insurance
111.21 requirements;

111.22 (ii) is in compliance with Department of Revenue and Department of Employment and
111.23 Economic Development registration requirements if it has employees;

111.24 (iii) has a valid federal tax identification number or a valid Social Security number if
111.25 an individual; and

111.26 (iv) has filed a certificate of authority to transact business in Minnesota with the secretary
111.27 of state if a foreign corporation or cooperative;

111.28 (2) the contractor or related entity is in compliance with and, during the three-year period
111.29 before submitting the verification, has not violated section 177.24, 177.25, 177.41 to 177.44,
111.30 181.03, 181.101, 181.13, 181.14, or 181.722, and has not violated United States Code, title
111.31 29, sections 201 to 219, or United States Code, title 40, sections 3141 to 3148. For purposes
111.32 of this clause, a violation occurs when a contractor or related entity:

112.1 (i) repeatedly fails to pay statutorily required wages or penalties on one or more separate
112.2 projects for a total underpayment of \$25,000 or more within the three-year period, provided
112.3 that a failure to pay is "repeated" only if it involves two or more separate and distinct
112.4 occurrences of underpayment during the three-year period;

112.5 (ii) has been issued an order to comply by the commissioner of labor and industry that
112.6 has become final;

112.7 (iii) has been issued at least two determination letters within the three-year period by
112.8 the Department of Transportation finding an underpayment by the contractor or related
112.9 entity to its own employees;

112.10 (iv) has been found by the commissioner of labor and industry to have repeatedly or
112.11 willfully violated any of the sections referenced in this clause pursuant to section 177.27;

112.12 (v) has been issued a ruling or findings of underpayment by the administrator of the
112.13 Wage and Hour Division of the United States Department of Labor that have become final
112.14 or have been upheld by an administrative law judge or the Administrative Review Board;

112.15 ~~or~~

112.16 (vi) has been found liable for underpayment of wages or penalties or misrepresenting a
112.17 construction worker as an independent contractor in an action brought in a court having
112.18 jurisdiction; or

112.19 (vii) has been convicted of a violation of section 609.52, subdivision 2, clause (19).

112.20 Provided that, if the contractor or related entity contests a determination of underpayment
112.21 by the Department of Transportation in a contested case proceeding, a violation does not
112.22 occur until the contested case proceeding has concluded with a determination that the
112.23 contractor or related entity underpaid wages or penalties;

112.24 (3) the contractor or related entity is in compliance with and, during the three-year period
112.25 before submitting the verification, has not violated section 181.723 or chapter 326B. For
112.26 purposes of this clause, a violation occurs when a contractor or related entity has been issued
112.27 a final administrative or licensing order;

112.28 (4) the contractor or related entity has not, more than twice during the three-year period
112.29 before submitting the verification, had a certificate of compliance under section 363A.36
112.30 revoked or suspended based on the provisions of section 363A.36, with the revocation or
112.31 suspension becoming final because it was upheld by the Office of Administrative Hearings
112.32 or was not appealed to the office;

113.1 (5) the contractor or related entity has not received a final determination assessing a
113.2 monetary sanction from the Department of Administration or Transportation for failure to
113.3 meet targeted group business, disadvantaged business enterprise, or veteran-owned business
113.4 goals, due to a lack of good faith effort, more than once during the three-year period before
113.5 submitting the verification;

113.6 (6) the contractor or related entity is not currently suspended or debarred by the federal
113.7 government or the state of Minnesota or any of its departments, commissions, agencies, or
113.8 political subdivisions that have authority to debar a contractor; and

113.9 (7) all subcontractors and motor carriers that the contractor intends to use to perform
113.10 project work have verified to the contractor through a signed statement under oath by an
113.11 owner or officer that they meet the minimum criteria listed in clauses (1) to (6).

113.12 Any violations, suspensions, revocations, or sanctions, as defined in clauses (2) to (5),
113.13 occurring prior to July 1, 2014, shall not be considered in determining whether a contractor
113.14 or related entity meets the minimum criteria.

113.15 Sec. 2. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
113.16 read:

113.17 Subd. 1a. **Authority to investigate.** To carry out the purposes of this chapter and chapters
113.18 181, 181A, and 184, and utilizing the enforcement authority of section 175.20, the
113.19 commissioner is authorized to enter the places of business and employment of any employer
113.20 in the state to investigate wages, hours, and other conditions and practices of work, collect
113.21 evidence, and conduct interviews. The commissioner is authorized to enter the places of
113.22 business and employment during working hours and without delay. The commissioner may
113.23 use investigation methods that include but are not limited to examination, surveillance,
113.24 transcription, copying, scanning, photographing, audio or video recording, testing, and
113.25 sampling along with taking custody of evidence. Evidence that may be collected includes
113.26 but is not limited to documents, records, books, registers, payrolls, electronically and digitally
113.27 stored information, machinery, equipment, tools, and other tangible items that in any way
113.28 relate to wages, hours, and other conditions and practices of work. The commissioner may
113.29 privately interview any individual, including owners, employers, operators, agents, workers,
113.30 and other individuals who may have knowledge of the conditions and practices of work
113.31 under investigation.

114.1 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

114.2 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
114.3 of employees working in the state to submit to the commissioner photocopies, certified
114.4 copies, or, if necessary, the originals of employment records which the commissioner deems
114.5 necessary or appropriate. The records which may be required include full and correct
114.6 statements in writing, including sworn statements by the employer, containing information
114.7 relating to wages, hours, names, addresses, and any other information pertaining to the
114.8 employer's employees and the conditions of their employment as the commissioner deems
114.9 necessary or appropriate.

114.10 The commissioner may require the records to be submitted by certified mail delivery
114.11 or, if necessary, by personal delivery by the employer or a representative of the employer,
114.12 as authorized by the employer in writing.

114.13 The commissioner may fine the employer up to \$1,000 for each failure to submit or
114.14 deliver records as required by this section, and up to \$10,000 for each repeated failure. This
114.15 penalty is in addition to any penalties provided under section 177.32, subdivision 1. In
114.16 determining the amount of a civil penalty under this subdivision, the appropriateness of
114.17 such penalty to the size of the employer's business and the gravity of the violation shall be
114.18 considered.

114.19 Sec. 4. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
114.20 read:

114.21 Subd. 11. **Subpoenas.** In order to carry out the purposes of this chapter and chapter 181,
114.22 181A, or 184, the commissioner may issue subpoenas to compel persons to appear before
114.23 the commissioner to give testimony and produce and permit inspection, copying, testing,
114.24 or sampling of documents, electronically stored information, tangible items, or other items
114.25 in the possession, custody, or control of that person that are deemed necessary or appropriate
114.26 by the commissioner. A subpoena may specify the form or format in which electronically
114.27 stored information is to be produced. Upon the application of the commissioner, a district
114.28 court shall treat the failure of any person to obey a subpoena lawfully issued by the
114.29 commissioner under this subdivision as a contempt of court.

114.30 Sec. 5. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
114.31 read:

114.32 Subd. 12. **Court orders for entrance and inspection.** To carry out the purposes of this
114.33 chapter and chapters 181, 181A, and 184, and utilizing the enforcement authority of section

115.1 175.20, the commissioner is authorized to enter places of business and employment of any
115.2 employer in the state to investigate wages, hours, and other conditions and practices of
115.3 work, collect evidence, and conduct interviews. The commissioner is authorized to enter
115.4 the places of business and employment during working hours and without delay. Upon the
115.5 anticipated refusal based on a refusal to permit entrance on a prior occasion or actual refusal
115.6 of an employer, owner, operator, or agent in charge of an employer's place of business or
115.7 employment, the commissioner may apply for an order in the district court in the county in
115.8 which the place of business or employment is located, to compel an employer, owner,
115.9 operator, or agent in charge of the place of business or employment to permit the
115.10 commissioner entry to investigate wages, hours, and other conditions and practices of work,
115.11 collect evidence, and interview witnesses.

115.12 Sec. 6. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
115.13 read:

115.14 Subd. 13. **State licensing or regulatory power.** In the case of an employer which is
115.15 subject to the licensing or regulatory power of the state or any political subdivision or agency
115.16 thereof, if the commissioner issues an order to comply under subdivision 4, the commissioner
115.17 may provide the licensing or regulatory agency a copy of the order to comply. Unless the
115.18 order to comply is reversed in the course of administrative or judicial review, the order to
115.19 comply is binding on the agency and the agency may take appropriate action, including
115.20 action related to the eligibility, renewal, suspension, or revocation of a license or certificate
115.21 of public convenience and necessity if the agency is otherwise authorized to take such action.

115.22 Sec. 7. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
115.23 read:

115.24 Subd. 14. **Public contracts.** In the case of an employer that is a party to a public contract,
115.25 if the commissioner issues an order to comply under subdivision 4, the commissioner may
115.26 provide a copy of the order to comply to the contract letting agency. Unless the order to
115.27 comply is reversed in the course of administrative or judicial review, an order to comply is
115.28 binding on the contract letting agency and the agency may take appropriate administrative
115.29 action, including the imposition of financial penalties and eligibility for, termination or
115.30 nonrenewal of a contract, in whole or in part, if the agency is otherwise authorized to take
115.31 the action.

116.1 Sec. 8. Minnesota Statutes 2018, section 177.27, is amended by adding a subdivision to
116.2 read:

116.3 Subd. 15. **Notice to employees of compliance orders and citations.** In a compliance
116.4 order or citation issued under this chapter and chapters 181, 181A, and 184, the commissioner
116.5 may require that the provisions of a compliance order or citation setting out the violations
116.6 found by the commissioner and any subsequent document setting out the resolution of the
116.7 compliance order or citation through settlement agreement or other final disposition, upon
116.8 receipt by the employer, be made available for review by the employees of the employer
116.9 using the means the employer uses to provide other work-related notices to the employer's
116.10 employees. The means used by the employer must be at least as effective as the following
116.11 options for providing notice: (1) posting a copy of the compliance order or citation at each
116.12 location where employees perform work and where the notice must be readily observed and
116.13 easily reviewed by all employees performing work; or (2) providing a paper or electronic
116.14 copy of the compliance order or citation to employees. Each citation and proposed penalty
116.15 shall be posted or made available to employees for a minimum period of 20 days. Upon
116.16 issuance of a compliance order or citation to an employer, the commissioner may also
116.17 provide the provisions of the compliance order or citation setting out the violations found
116.18 by the commissioner and any resolution of a compliance order or citation through settlement
116.19 agreement or other final disposition to the employer's employees who may be affected by
116.20 the order or citation and how the order or citation and resolution may affect their interests.

116.21 Sec. 9. Minnesota Statutes 2018, section 177.30, is amended to read:

116.22 **177.30 KEEPING RECORDS; PENALTY.**

116.23 (a) Every employer subject to sections 177.21 to 177.44 must make and keep a record
116.24 of:

116.25 (1) the name, address, and occupation of each employee;

116.26 (2) the rate of pay, and the amount paid each pay period to each employee, including
116.27 whether each employee is paid by the hour, shift, day, week, salary, piece, commission, or
116.28 other;

116.29 (3) the hours worked each day and each workweek by the employee, including for all
116.30 employees paid at piece rate, the number of pieces completed at each piece rate;

116.31 (4) any personnel policies provided to employees;

116.32 (5) a copy of the notice provided to each employee as required by section 181.032,
116.33 paragraph (d);

117.1 (6) for each employer subject to sections 177.41 to 177.44, and while performing work
117.2 on public works projects funded in whole or in part with state funds, the employer shall
117.3 furnish under oath signed by an owner or officer of an employer to the contracting authority
117.4 and the project owner every two weeks, a certified payroll report with respect to the wages
117.5 and benefits paid each employee during the preceding weeks specifying for each employee:
117.6 name; identifying number; prevailing wage master job classification; hours worked each
117.7 day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions;
117.8 net pay for week; dollars contributed per hour for each benefit, including name and address
117.9 of administrator; benefit account number; and telephone number for health and welfare,
117.10 vacation or holiday, apprenticeship training, pension, and other benefit programs; and

117.11 ~~(5)~~ (7) other information the commissioner finds necessary and appropriate to enforce
117.12 sections 177.21 to 177.435. The records must be kept for three years in ~~or near~~ the premises
117.13 where an employee works except each employer subject to sections 177.41 to 177.44, and
117.14 while performing work on public works projects funded in whole or in part with state funds,
117.15 the records must be kept for three years after the contracting authority has made final payment
117.16 on the public works project.

117.17 (b) All records required to be kept under paragraph (a) must be readily available for
117.18 inspection by the commissioner upon demand. The records must be either kept at the place
117.19 where employees are working or kept in a manner that allows the employer to comply with
117.20 this paragraph within 24 hours.

117.21 (c) The commissioner may fine an employer up to \$1,000 for each failure to maintain
117.22 records as required by this section, and up to \$10,000 for each repeated failure. This penalty
117.23 is in addition to any penalties provided under section 177.32, subdivision 1. In determining
117.24 the amount of a civil penalty under this subdivision, the appropriateness of such penalty to
117.25 the size of the employer's business and the gravity of the violation shall be considered.

117.26 (d) If the records maintained by the employer do not provide sufficient information to
117.27 determine the exact amount of back wages due an employee, the commissioner may make
117.28 a determination of wages due based on available evidence.

117.29 Sec. 10. Minnesota Statutes 2018, section 177.32, subdivision 1, is amended to read:

117.30 Subdivision 1. **Misdemeanors.** (a) An employer who does any of the following is guilty
117.31 of a misdemeanor:

117.32 (1) hinders or delays the commissioner in the performance of duties required under
117.33 sections 177.21 to 177.435, or chapter 181;

118.1 (2) refuses to admit the commissioner to the place of business or employment of the
118.2 employer, as required by section 177.27, subdivision 1;

118.3 (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

118.4 (4) falsifies any record;

118.5 (5) refuses to make any record available, or to furnish a sworn statement of the record
118.6 or any other information as required by section 177.27;

118.7 (6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary
118.8 of the applicable rules as required by section 177.31;

118.9 (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21
118.10 to 177.44, or described and provided by an employer to its employees under section 181.032;

118.11 (8) refuses to allow adequate time from work as required by section 177.253; or

118.12 (9) otherwise violates any provision of sections 177.21 to 177.44, or commits wage theft
118.13 as described in section 181.03, subdivision 1.

118.14 Intent is not an element of a misdemeanor under this paragraph.

118.15 (b) An employer is guilty of a gross misdemeanor if the employer is found to have
118.16 intentionally retaliated against an employee for asserting rights or remedies under sections
118.17 177.21 to 177.44 or section 181.03.

118.18 Sec. 11. [177.45] ENFORCEMENT; REMEDIES.

118.19 Subdivision 1. Public enforcement. In addition to the enforcement of this chapter by
118.20 the department, the attorney general may enforce this chapter under section 8.31.

118.21 Subd. 2. Remedies cumulative. The remedies provided in this chapter are cumulative
118.22 and do not restrict any remedy that is otherwise available, including remedies provided
118.23 under section 8.31. The remedies available under this section are not exclusive and are in
118.24 addition to any other requirements, rights, remedies, and penalties provided by law.

118.25 Sec. 12. Minnesota Statutes 2018, section 181.03, subdivision 1, is amended to read:

118.26 Subdivision 1. **Prohibited practices.** ~~An employer may not, directly or indirectly and~~
118.27 ~~with intent to defraud:~~ (a) No employer shall commit wage theft.

118.28 (b) For purposes of this section, wage theft is committed if:

118.29 (1) ~~cause~~ an employer has failed to pay an employee all wages, salary, gratuities, earnings,
118.30 or commissions at the employee's rate or rates of pay or at the rate or rates required by law,

119.1 including any applicable statute, regulation, rule, ordinance, government resolution or policy,
119.2 contract, or other legal authority, whichever rate of pay is greater;

119.3 (2) an employer directly or indirectly causes any employee to give a receipt for wages
119.4 for a greater amount than that actually paid to the employee for services rendered;

119.5 ~~(2)~~ (3) an employer directly or indirectly demand demands or receive receives from any
119.6 employee any rebate or refund from the wages owed the employee under contract of
119.7 employment with the employer; or

119.8 ~~(3)~~ (4) an employer in any manner make makes or attempt attempts to make it appear
119.9 that the wages paid to any employee were greater than the amount actually paid to the
119.10 employee.

119.11 Sec. 13. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
119.12 read:

119.13 Subd. 4. **Enforcement.** The use of an enforcement provision in this section shall not
119.14 preclude the use of any other enforcement provision provided by law.

119.15 Sec. 14. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
119.16 read:

119.17 Subd. 5. **Citations.** (a) In addition to other remedies and penalties provided by this
119.18 chapter and chapter 177, the commissioner may issue a citation for a civil penalty of up to
119.19 \$1,000 for any wage theft of up to \$1,000 by serving the citation on the employer. The
119.20 citation may direct the employer to pay employees in a manner prescribed by the
119.21 commissioner any wages, salary, gratuities, earnings, or commissions owed to the employee
119.22 within 15 days of service of the citation on the employer. The commissioner shall serve the
119.23 citation upon the employer or the employer's authorized representative in person or by
119.24 certified mail at the employer's place of business or registered office address with the
119.25 secretary of state. The citation shall require the employer to correct the violation and cease
119.26 and desist from committing the violation.

119.27 (b) In determining the amount of the civil penalty, the commissioner shall consider the
119.28 size of the employer's business and the gravity of the violation as provided in section 14.045,
119.29 subdivision 3, paragraph (a). If the citation includes a penalty assessment, the penalty is
119.30 due and payable on the date the citation becomes final. The commissioner may vacate the
119.31 citation if the employer pays the amount of wages, salaries, commissions, earnings, and
119.32 gratuities due in the citation within five days after the citation is served on the employer.

120.1 Sec. 15. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
120.2 read:

120.3 Subd. 6. **Administrative review.** Within 15 days after the commissioner of labor and
120.4 industry issues a citation under subdivision 5, the employer to whom the citation is issued
120.5 may request an expedited hearing to review the citation. The request for hearing must be
120.6 in writing and must be served on the commissioner at the address specified in the citation.
120.7 If the employer does not request a hearing or if the employer's written request for hearing
120.8 is not served on the commissioner by the 15th day after the commissioner issues the citation,
120.9 the citation becomes a final order of the commissioner and is not subject to review by any
120.10 court or agency. The hearing request must state the reasons for seeking review of the citation.
120.11 The employer to whom the citation is issued and the commissioner are the parties to the
120.12 expedited hearing. The commissioner must notify the employer to whom the citation is
120.13 issued of the time and place of the hearing at least 15 days before the hearing. The hearing
120.14 shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by
120.15 this section. If a hearing has been held, the commissioner shall not issue a final order until
120.16 at least five days after the date of the administrative law judge's report. Any person aggrieved
120.17 by the administrative law judge's report may, within those five days, serve written comments
120.18 to the commissioner on the report and the commissioner shall consider and enter the
120.19 comments in the record. The commissioner's final order shall comply with sections 14.61,
120.20 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
120.21 in sections 14.63 to 14.69.

120.22 Sec. 16. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
120.23 read:

120.24 Subd. 7. **Effect on other laws.** Nothing in this section shall be construed to limit the
120.25 application of other state or federal laws.

120.26 Sec. 17. Minnesota Statutes 2018, section 181.03, is amended by adding a subdivision to
120.27 read:

120.28 Subd. 8. **Retaliation.** An employer must not retaliate against an employee for asserting
120.29 rights or remedies under this section, including but not limited to filing a complaint with
120.30 the Department of Labor and Industry or telling the employer of intention to file a complaint.
120.31 A rebuttable presumption of unlawful retaliation under this section exists whenever an
120.32 employer takes adverse action against an employee within 90 days of the employee asserting
120.33 rights or remedies under this section.

121.1 Sec. 18. Minnesota Statutes 2018, section 181.032, is amended to read:

121.2 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**
121.3 **TO EMPLOYEE.**

121.4 (a) At the end of each pay period, the employer shall provide each employee an earnings
121.5 statement, either in writing or by electronic means, covering that pay period. An employer
121.6 who chooses to provide an earnings statement by electronic means must provide employee
121.7 access to an employer-owned computer during an employee's regular working hours to
121.8 review and print earnings statements.

121.9 (b) The earnings statement may be in any form determined by the employer but must
121.10 include:

121.11 (1) the name of the employee;

121.12 (2) the ~~hourly rate~~ or rates of pay (if applicable) and basis thereof, including whether
121.13 the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

121.14 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

121.15 (4) the total number of hours worked by the employee unless exempt from chapter 177;

121.16 ~~(4)~~ (5) the total amount of gross pay earned by the employee during that period;

121.17 ~~(5)~~ (6) a list of deductions made from the employee's pay;

121.18 ~~(6)~~ (7) the net amount of pay after all deductions are made;

121.19 ~~(7)~~ (8) the date on which the pay period ends; and

121.20 ~~(8)~~ (9) the legal name of the employer and the operating name of the employer if different
121.21 from the legal name;

121.22 (10) the physical address of the employer's main office or principal place of business,
121.23 and a mailing address if different; and

121.24 (11) the telephone number of the employer.

121.25 (c) An employer must provide earnings statements to an employee in writing, rather
121.26 than by electronic means, if the employer has received at least 24 hours notice from an
121.27 employee that the employee would like to receive earnings statements in written form. Once
121.28 an employer has received notice from an employee that the employee would like to receive
121.29 earnings statements in written form, the employer must comply with that request on an
121.30 ongoing basis.

122.1 (d) At the start of employment, an employer shall provide each employee a written notice
122.2 containing the following information:

122.3 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by
122.4 the hour, shift, day, week, salary, piece, commission, or other method, and the specific
122.5 application of any additional rates;

122.6 (2) allowances, if any, claimed pursuant to permitted meals and lodging;

122.7 (3) paid vacation, sick time, or other paid time off accruals and terms of use;

122.8 (4) the employee's employment status and whether the employee is exempt from minimum
122.9 wage, overtime, and other provisions of chapter 177, and on what basis;

122.10 (5) a list of deductions that may be made from the employee's pay;

122.11 (6) the dates on which the pay periods start and end and the regularly scheduled payday;

122.12 (7) the legal name of the employer and the operating name of the employer if different
122.13 from the legal name;

122.14 (8) the physical address of the employer's main office or principal place of business, and
122.15 a mailing address if different; and

122.16 (9) the telephone number of the employer.

122.17 (e) The employer must keep a copy of the notice under paragraph (d) signed by each
122.18 employee acknowledging receipt of the notice. The notice must be provided to each employee
122.19 in English and in the employee's native language.

122.20 (f) An employer must provide the employee any written changes to the information
122.21 contained in the notice under paragraph (d) at least seven calendar days prior to the time
122.22 the changes take effect. The changes must be signed by the employee before the changes
122.23 go into effect. The employer must keep a signed copy of all notice of changes as well as
122.24 the initial notices under paragraph (d).

122.25 Sec. 19. Minnesota Statutes 2018, section 181.101, is amended to read:

122.26 **181.101 WAGES; HOW OFTEN PAID.**

122.27 (a) Except as provided in paragraph (b), every employer must pay all wages earned by
122.28 an employee at least once every ~~31~~ 16 days on a regular payday designated in advance by
122.29 the employer regardless of whether the employee requests payment at longer intervals.

122.30 ~~Unless paid earlier, the wages earned during the first half of the first 31-day pay period~~
122.31 ~~become due on the first regular payday following the first day of work.~~ An employer's pay

123.1 period must be no longer than 16 days. All wages earned in a pay period must be paid to
 123.2 an employee within 16 days of the end of that pay period. If wages earned are not paid, the
 123.3 commissioner of labor and industry or the commissioner's representative may serve a demand
 123.4 for payment on behalf of an employee. If payment is not made within ~~ten~~ five days of service
 123.5 of the demand, the commissioner may charge and collect the wages earned and a ~~penalty~~
 123.6 liquidated damages in the amount of the employee's average daily earnings at the employee's
 123.7 rate ~~agreed upon in the contract of employment~~ or rates of pay or at the rate or rates required
 123.8 by law, including any applicable statute, regulation, rule, ordinance, government resolution
 123.9 or policy, contract, or other legal authority, whichever rate of pay is greater, ~~not exceeding~~
 123.10 15 days in all, for each day beyond the ~~ten-day~~ five-day limit following the demand. Money
 123.11 collected by the commissioner must be paid to the employee concerned. This section does
 123.12 not prevent an employee from prosecuting a claim for wages. This section does not prevent
 123.13 a school district, other public school entity, or other school, as defined under section 120A.22,
 123.14 from paying any wages earned by its employees during a school year on regular paydays
 123.15 in the manner provided by an applicable contract or collective bargaining agreement, or a
 123.16 personnel policy adopted by the governing board. For purposes of this section, "employee"
 123.17 includes a person who performs agricultural labor as defined in section 181.85, subdivision
 123.18 2. For purposes of this section, wages are earned on the day an employee works.

123.19 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision
 123.20 10, a member of an organized first responder squad that is formally recognized by a political
 123.21 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages
 123.22 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant
 123.23 at least once every 31 days, unless the employer and the employee mutually agree upon
 123.24 payment at longer intervals.

123.25 **Sec. 20. [181.1721] ENFORCEMENT; REMEDIES.**

123.26 Subdivision 1. **Public enforcement.** In addition to the enforcement of this chapter by
 123.27 the department, the attorney general may enforce this chapter under section 8.31.

123.28 Subd. 2. **Remedies cumulative.** The remedies provided in this chapter are cumulative
 123.29 and do not restrict any remedy that is otherwise available, including remedies provided
 123.30 under section 8.31. The remedies available under this section are not exclusive and are in
 123.31 addition to any other requirements, rights, remedies, and penalties provided by law.

123.32 **Sec. 21. Minnesota Statutes 2018, section 609.52, subdivision 1, is amended to read:**

123.33 **Subdivision 1. **Definitions.** In this section:**

124.1 (1) "Property" means all forms of tangible property, whether real or personal, without
124.2 limitation including documents of value, electricity, gas, water, corpses, domestic animals,
124.3 dogs, pets, fowl, and heat supplied by pipe or conduit by municipalities or public utility
124.4 companies and articles, as defined in clause (4), representing trade secrets, which articles
124.5 shall be deemed for the purposes of Extra Session Laws 1967, chapter 15 to include any
124.6 trade secret represented by the article.

124.7 (2) "Movable property" is property whose physical location can be changed, including
124.8 without limitation things growing on, affixed to, or found in land.

124.9 (3) "Value" means the retail market value at the time of the theft, or if the retail market
124.10 value cannot be ascertained, the cost of replacement of the property within a reasonable
124.11 time after the theft, or in the case of a theft or the making of a copy of an article representing
124.12 a trade secret, where the retail market value or replacement cost cannot be ascertained, any
124.13 reasonable value representing the damage to the owner which the owner has suffered by
124.14 reason of losing an advantage over those who do not know of or use the trade secret. For a
124.15 check, draft, or other order for the payment of money, "value" means the amount of money
124.16 promised or ordered to be paid under the terms of the check, draft, or other order. For a
124.17 theft committed within the meaning of subdivision 2, clause (5), items (i) and (ii), if the
124.18 property has been restored to the owner, "value" means the value of the use of the property
124.19 or the damage which it sustained, whichever is greater, while the owner was deprived of
124.20 its possession, but not exceeding the value otherwise provided herein. For a theft committed
124.21 within the meaning of subdivision 2, clause (9), if the property has been restored to the
124.22 owner, "value" means the rental value of the property, determined at the rental rate contracted
124.23 by the defendant or, if no rental rate was contracted, the rental rate customarily charged by
124.24 the owner for use of the property, plus any damage that occurred to the property while the
124.25 owner was deprived of its possession, but not exceeding the total retail value of the property
124.26 at the time of rental. For a theft committed within the meaning of subdivision 2, clause (19),
124.27 "value" means the difference between wages legally required to be reported or paid to an
124.28 employee and the amount actually reported or paid to the employee.

124.29 (4) "Article" means any object, material, device or substance, including any writing,
124.30 record, recording, drawing, sample specimen, prototype, model, photograph, microorganism,
124.31 blueprint or map, or any copy of any of the foregoing.

124.32 (5) "Representing" means describing, depicting, containing, constituting, reflecting or
124.33 recording.

125.1 (6) "Trade secret" means information, including a formula, pattern, compilation, program,
125.2 device, method, technique, or process, that:

125.3 (i) derives independent economic value, actual or potential, from not being generally
125.4 known to, and not being readily ascertainable by proper means by, other persons who can
125.5 obtain economic value from its disclosure or use, and

125.6 (ii) is the subject of efforts that are reasonable under the circumstances to maintain its
125.7 secrecy.

125.8 (7) "Copy" means any facsimile, replica, photograph or other reproduction of an article,
125.9 and any note, drawing, or sketch made of or from an article while in the presence of the
125.10 article.

125.11 (8) "Property of another" includes property in which the actor is co-owner or has a lien,
125.12 pledge, bailment, or lease or other subordinate interest, property transferred by the actor in
125.13 circumstances which are known to the actor and which make the transfer fraudulent as
125.14 defined in section 513.44, property possessed pursuant to a short-term rental contract, and
125.15 property of a partnership of which the actor is a member, unless the actor and the victim
125.16 are husband and wife. It does not include property in which the actor asserts in good faith
125.17 a claim as a collection fee or commission out of property or funds recovered, or by virtue
125.18 of a lien, setoff, or counterclaim.

125.19 (9) "Services" include but are not limited to labor, professional services, transportation
125.20 services, electronic computer services, the supplying of hotel accommodations, restaurant
125.21 services, entertainment services, advertising services, telecommunication services, and the
125.22 supplying of equipment for use including rental of personal property or equipment.

125.23 (10) "Motor vehicle" means a self-propelled device for moving persons or property or
125.24 pulling implements from one place to another, whether the device is operated on land, rails,
125.25 water, or in the air.

125.26 (11) "Motor fuel" has the meaning given in section 604.15, subdivision 1.

125.27 (12) "Retailer" has the meaning given in section 604.15, subdivision 1.

125.28 Sec. 22. Minnesota Statutes 2018, section 609.52, subdivision 2, is amended to read:

125.29 Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft
125.30 and may be sentenced as provided in subdivision 3:

126.1 (1) intentionally and without claim of right takes, uses, transfers, conceals or retains
126.2 possession of movable property of another without the other's consent and with intent to
126.3 deprive the owner permanently of possession of the property; or

126.4 (2) with or without having a legal interest in movable property, intentionally and without
126.5 consent, takes the property out of the possession of a pledgee or other person having a
126.6 superior right of possession, with intent thereby to deprive the pledgee or other person
126.7 permanently of the possession of the property; or

126.8 (3) obtains for the actor or another the possession, custody, or title to property of or
126.9 performance of services by a third person by intentionally deceiving the third person with
126.10 a false representation which is known to be false, made with intent to defraud, and which
126.11 does defraud the person to whom it is made. "False representation" includes without
126.12 limitation:

126.13 (i) the issuance of a check, draft, or order for the payment of money, except a forged
126.14 check as defined in section 609.631, or the delivery of property knowing that the actor is
126.15 not entitled to draw upon the drawee therefor or to order the payment or delivery thereof;
126.16 or

126.17 (ii) a promise made with intent not to perform. Failure to perform is not evidence of
126.18 intent not to perform unless corroborated by other substantial evidence; or

126.19 (iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost
126.20 report used to establish a rate or claim for payment for medical care provided to a recipient
126.21 of medical assistance under chapter 256B, which intentionally and falsely states the costs
126.22 of or actual services provided by a vendor of medical care; or

126.23 (iv) the preparation or filing of a claim for reimbursement for providing treatment or
126.24 supplies required to be furnished to an employee under section 176.135 which intentionally
126.25 and falsely states the costs of or actual treatment or supplies provided; or

126.26 (v) the preparation or filing of a claim for reimbursement for providing treatment or
126.27 supplies required to be furnished to an employee under section 176.135 for treatment or
126.28 supplies that the provider knew were medically unnecessary, inappropriate, or excessive;
126.29 or

126.30 (4) by swindling, whether by artifice, trick, device, or any other means, obtains property
126.31 or services from another person; or

126.32 (5) intentionally commits any of the acts listed in this subdivision but with intent to
126.33 exercise temporary control only and:

- 127.1 (i) the control exercised manifests an indifference to the rights of the owner or the
127.2 restoration of the property to the owner; or
- 127.3 (ii) the actor pledges or otherwise attempts to subject the property to an adverse claim;
127.4 or
- 127.5 (iii) the actor intends to restore the property only on condition that the owner pay a
127.6 reward or buy back or make other compensation; or
- 127.7 (6) finds lost property and, knowing or having reasonable means of ascertaining the true
127.8 owner, appropriates it to the finder's own use or to that of another not entitled thereto without
127.9 first having made reasonable effort to find the owner and offer and surrender the property
127.10 to the owner; or
- 127.11 (7) intentionally obtains property or services, offered upon the deposit of a sum of money
127.12 or tokens in a coin or token operated machine or other receptacle, without making the
127.13 required deposit or otherwise obtaining the consent of the owner; or
- 127.14 (8) intentionally and without claim of right converts any article representing a trade
127.15 secret, knowing it to be such, to the actor's own use or that of another person or makes a
127.16 copy of an article representing a trade secret, knowing it to be such, and intentionally and
127.17 without claim of right converts the same to the actor's own use or that of another person. It
127.18 shall be a complete defense to any prosecution under this clause for the defendant to show
127.19 that information comprising the trade secret was rightfully known or available to the
127.20 defendant from a source other than the owner of the trade secret; or
- 127.21 (9) leases or rents personal property under a written instrument and who:
- 127.22 (i) with intent to place the property beyond the control of the lessor conceals or aids or
127.23 abets the concealment of the property or any part thereof; or
- 127.24 (ii) sells, conveys, or encumbers the property or any part thereof without the written
127.25 consent of the lessor, without informing the person to whom the lessee sells, conveys, or
127.26 encumbers that the same is subject to such lease or rental contract with intent to deprive the
127.27 lessor of possession thereof; or
- 127.28 (iii) does not return the property to the lessor at the end of the lease or rental term, plus
127.29 agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the
127.30 property; or
- 127.31 (iv) returns the property to the lessor at the end of the lease or rental term, plus
127.32 agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the
127.33 written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

128.1 For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

128.2 Evidence that a lessee used a false, fictitious, or not current name, address, or place of

128.3 employment in obtaining the property or fails or refuses to return the property or pay the

128.4 rental contract charges to lessor within five days after written demand for the return has

128.5 been served personally in the manner provided for service of process of a civil action or

128.6 sent by certified mail to the last known address of the lessee, whichever shall occur later,

128.7 shall be evidence of intent to violate this clause. Service by certified mail shall be deemed

128.8 to be complete upon deposit in the United States mail of such demand, postpaid and addressed

128.9 to the person at the address for the person set forth in the lease or rental agreement, or, in

128.10 the absence of the address, to the person's last known place of residence; or

128.11 (10) alters, removes, or obliterates numbers or symbols placed on movable property for

128.12 purpose of identification by the owner or person who has legal custody or right to possession

128.13 thereof with the intent to prevent identification, if the person who alters, removes, or

128.14 obliterates the numbers or symbols is not the owner and does not have the permission of

128.15 the owner to make the alteration, removal, or obliteration; or

128.16 (11) with the intent to prevent the identification of property involved, so as to deprive

128.17 the rightful owner of possession thereof, alters or removes any permanent serial number,

128.18 permanent distinguishing number or manufacturer's identification number on personal

128.19 property or possesses, sells or buys any personal property knowing or having reason to

128.20 know that the permanent serial number, permanent distinguishing number or manufacturer's

128.21 identification number has been removed or altered; or

128.22 (12) intentionally deprives another of a lawful charge for cable television service by:

128.23 (i) making or using or attempting to make or use an unauthorized external connection

128.24 outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or

128.25 other connection; or by

128.26 (ii) attaching any unauthorized device to any cable, wire, microwave, or other component

128.27 of a licensed cable communications system as defined in chapter 238. Nothing herein shall

128.28 be construed to prohibit the electronic video rerecording of program material transmitted

128.29 on the cable communications system by a subscriber for fair use as defined by Public Law

128.30 94-553, section 107; or

128.31 (13) except as provided in clauses (12) and (14), obtains the services of another with

128.32 the intention of receiving those services without making the agreed or reasonably expected

128.33 payment of money or other consideration; or

129.1 (14) intentionally deprives another of a lawful charge for telecommunications service
129.2 by:

129.3 (i) making, using, or attempting to make or use an unauthorized connection whether
129.4 physical, electrical, by wire, microwave, radio, or other means to a component of a local
129.5 telecommunication system as provided in chapter 237; or

129.6 (ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other
129.7 component of a local telecommunication system as provided in chapter 237.

129.8 The existence of an unauthorized connection is prima facie evidence that the occupier
129.9 of the premises:

129.10 (A) made or was aware of the connection; and

129.11 (B) was aware that the connection was unauthorized;

129.12 (15) with intent to defraud, diverts corporate property other than in accordance with
129.13 general business purposes or for purposes other than those specified in the corporation's
129.14 articles of incorporation; or

129.15 (16) with intent to defraud, authorizes or causes a corporation to make a distribution in
129.16 violation of section 302A.551, or any other state law in conformity with it; or

129.17 (17) takes or drives a motor vehicle without the consent of the owner or an authorized
129.18 agent of the owner, knowing or having reason to know that the owner or an authorized agent
129.19 of the owner did not give consent; or

129.20 (18) intentionally, and without claim of right, takes motor fuel from a retailer without
129.21 the retailer's consent and with intent to deprive the retailer permanently of possession of
129.22 the fuel by driving a motor vehicle from the premises of the retailer without having paid
129.23 for the fuel dispensed into the vehicle; or

129.24 (19) intentionally engages in or authorizes a prohibited practice of wage theft as described
129.25 in section 181.03, subdivision 1.

129.26 (b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove
129.27 the vehicle from the premises of the retailer without having paid for the fuel permits the
129.28 factfinder to infer that the driver acted intentionally and without claim of right, and that the
129.29 driver intended to deprive the retailer permanently of possession of the fuel. This paragraph
129.30 does not apply if: (1) payment has been made to the retailer within 30 days of the receipt
129.31 of notice of nonpayment under section 604.15; or (2) a written notice as described in section
129.32 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not

130.1 apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been
130.2 reported stolen before the theft of the fuel.

130.3 Sec. 23. Minnesota Statutes 2018, section 609.52, subdivision 3, is amended to read:

130.4 Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

130.5 (1) to imprisonment for not more than 20 years or to payment of a fine of not more than
130.6 \$100,000, or both, if the property is a firearm, or the value of the property or services stolen
130.7 is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4),
130.8 (15), ~~or (16)~~, or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

130.9 (2) to imprisonment for not more than ten years or to payment of a fine of not more than
130.10 \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the
130.11 property stolen was an article representing a trade secret, an explosive or incendiary device,
130.12 or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the
130.13 exception of marijuana; or

130.14 (3) to imprisonment for not more than five years or to payment of a fine of not more
130.15 than \$10,000, or both, if any of the following circumstances exist:

130.16 (a) the value of the property or services stolen is more than \$1,000 but not more than
130.17 \$5,000; or

130.18 (b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant
130.19 to section 152.02; or

130.20 (c) the value of the property or services stolen is more than \$500 but not more than
130.21 \$1,000 and the person has been convicted within the preceding five years for an offense
130.22 under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision
130.23 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United
130.24 States, or a foreign jurisdiction, in conformity with any of those sections, and the person
130.25 received a felony or gross misdemeanor sentence for the offense, or a sentence that was
130.26 stayed under section 609.135 if the offense to which a plea was entered would allow
130.27 imposition of a felony or gross misdemeanor sentence; or

130.28 (d) the value of the property or services stolen is not more than \$1,000, and any of the
130.29 following circumstances exist:

130.30 (i) the property is taken from the person of another or from a corpse, or grave or coffin
130.31 containing a corpse; or

131.1 (ii) the property is a record of a court or officer, or a writing, instrument or record kept,
131.2 filed or deposited according to law with or in the keeping of any public officer or office; or

131.3 (iii) the property is taken from a burning, abandoned, or vacant building or upon its
131.4 removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing,
131.5 or the proximity of battle; or

131.6 (iv) the property consists of public funds belonging to the state or to any political
131.7 subdivision or agency thereof; or

131.8 (v) the property stolen is a motor vehicle; or

131.9 (4) to imprisonment for not more than one year or to payment of a fine of not more than
131.10 \$3,000, or both, if the value of the property or services stolen is more than \$500 but not
131.11 more than \$1,000; or

131.12 (5) in all other cases where the value of the property or services stolen is \$500 or less,
131.13 to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000,
131.14 or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3),
131.15 (4), and (13), the value of the money or property or services received by the defendant in
131.16 violation of any one or more of the above provisions within any six-month period may be
131.17 aggregated and the defendant charged accordingly in applying the provisions of this
131.18 subdivision; provided that when two or more offenses are committed by the same person
131.19 in two or more counties, the accused may be prosecuted in any county in which one of the
131.20 offenses was committed for all of the offenses aggregated under this paragraph.

131.21

ARTICLE 6

131.22

EARNED SICK AND SAFE TIME

131.23 Section 1. Minnesota Statutes 2018, section 181.942, subdivision 1, is amended to read:

131.24 Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence
131.25 under section 181.941 is entitled to return to employment in the employee's former position
131.26 or in a position of comparable duties, number of hours, and pay. An employee returning
131.27 from a leave of absence longer than one month must notify a supervisor at least two weeks
131.28 prior to return from leave. An employee returning from a leave under section 181.9412 or
131.29 ~~181.9413~~ 181.9445 is entitled to return to employment in the employee's former position.

131.30 (b) If, during a leave under sections 181.940 to 181.944, the employer experiences a
131.31 layoff and the employee would have lost a position had the employee not been on leave,
131.32 pursuant to the good faith operation of a bona fide layoff and recall system, including a

132.1 system under a collective bargaining agreement, the employee is not entitled to reinstatement
132.2 in the former or comparable position. In such circumstances, the employee retains all rights
132.3 under the layoff and recall system, including a system under a collective bargaining
132.4 agreement, as if the employee had not taken the leave.

132.5 Sec. 2. [181.9445] EARNED SICK AND SAFE TIME.

132.6 Subdivision 1. Definitions. (a) For the purposes of this section and section 177.50, the
132.7 terms defined in this subdivision have the meanings given them.

132.8 (b) "Commissioner" means the commissioner of labor and industry or authorized designee
132.9 or representative.

132.10 (c) "Domestic abuse" has the meaning given in section 518B.01.

132.11 (d) "Earned sick and safe time" means leave, including paid time off and other paid leave
132.12 systems, that is paid at the same hourly rate as an employee earns from employment that
132.13 may be used for the same purposes and under the same conditions as provided under
132.14 subdivision 3.

132.15 (e) "Employee" means any person who is employed by an employer, including temporary
132.16 and part-time employees, who performs work for at least 80 hours in a year for that employer
132.17 in Minnesota. Employee does not include an independent contractor.

132.18 (f) "Employer" means a person who has one or more employees. Employer includes an
132.19 individual, a corporation, a partnership, an association, a business trust, a nonprofit
132.20 organization, a group of persons, a state, county, town, city, school district, or other
132.21 governmental subdivision. In the event that a temporary employee is supplied by a staffing
132.22 agency, absent a contractual agreement stating otherwise, that individual shall be an employee
132.23 of the staffing agency for all purposes of this section and section 177.50.

132.24 (g) "Family member" means:

132.25 (1) an employee's:

132.26 (i) child, foster child, adult child, legal ward, or child for whom the employee is legal
132.27 guardian;

132.28 (ii) spouse or registered domestic partner;

132.29 (iii) sibling, stepsibling, or foster sibling;

132.30 (iv) parent or stepparent;

132.31 (v) grandchild, foster grandchild, or stepgrandchild; or

133.1 (vi) grandparent or stepgrandparent;

133.2 (2) any of the family members listed in clause (1) of a spouse or registered domestic
133.3 partner;

133.4 (3) any individual related by blood or affinity whose close association with the employee
133.5 is the equivalent of a family relationship; and

133.6 (4) up to one individual annually designated by the employee.

133.7 (h) "Health care professional" means any person licensed under federal or state law to
133.8 provide medical or emergency services, including doctors, physician assistants, nurses, and
133.9 emergency room personnel.

133.10 (i) "Prevailing wage rate" has the meaning given in section 177.42 and as calculated by
133.11 the Department of Labor and Industry.

133.12 (j) "Retaliatory personnel action" means:

133.13 (1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse
133.14 employment action, including discipline, discharge, suspension, transfer, or reassignment
133.15 to a lesser position in terms of job classification, job security, or other condition of
133.16 employment; reduction in pay or hours or denial of additional hours; the accumulation of
133.17 points under an attendance point system; informing another employer that the person has
133.18 engaged in activities protected by this chapter; or reporting or threatening to report the actual
133.19 or suspected citizenship or immigration status of an employee, former employee, or family
133.20 member of an employee to a federal, state, or local agency; and

133.21 (2) interference with or punishment for participating in any manner in an investigation,
133.22 proceeding, or hearing under this chapter.

133.23 (k) "Sexual assault" means an act that constitutes a violation under sections 609.342 to
133.24 609.3453 or 609.352.

133.25 (l) "Stalking" has the meaning given in section 609.749.

133.26 (m) "Year" means a regular and consecutive 12-month period, as determined by an
133.27 employer and clearly communicated to each employee of that employer.

133.28 **Subd. 2. Accrual of earned sick and safe time.** (a) An employee accrues a minimum
133.29 of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48
133.30 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours
133.31 of earned sick and safe time in a year unless the employer agrees to a higher amount.

134.1 (b) Employers must permit an employee to carry over accrued but unused sick and safe
134.2 time into the following year. The total amount of accrued but unused earned sick and safe
134.3 time for an employee may not exceed 80 hours at any time, unless an employer agrees to a
134.4 higher amount.

134.5 (c) Employees who are exempt from overtime requirements under United States Code,
134.6 title 29, section 213(a)(1), as amended through the effective date of this section, are deemed
134.7 to work 40 hours in each workweek for purposes of accruing earned sick and safe time,
134.8 except that an employee whose normal workweek is less than 40 hours will accrue earned
134.9 sick and safe time based on the normal workweek.

134.10 (d) Earned sick and safe time under this section begins to accrue at the commencement
134.11 of employment of the employee.

134.12 (e) Employees may use accrued earned sick and safe time beginning 90 calendar days
134.13 after the day their employment commenced. After 90 days from the day employment
134.14 commenced, employees may use earned sick and safe time as it is accrued. The
134.15 90-calendar-day period under this paragraph includes both days worked and days not worked.

134.16 Subd. 3. Use of earned sick and safe time. (a) An employee may use accrued earned
134.17 sick and safe time for:

134.18 (1) an employee's:

134.19 (i) mental or physical illness, injury, or other health condition;

134.20 (ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury,
134.21 or health condition; or

134.22 (iii) need for preventive medical or health care;

134.23 (2) care of a family member:

134.24 (i) with a mental or physical illness, injury, or other health condition;

134.25 (ii) who needs medical diagnosis, care, or treatment of a mental or physical illness,
134.26 injury, or other health condition; or

134.27 (iii) who needs preventive medical or health care;

134.28 (3) absence due to domestic abuse, sexual assault, or stalking of the employee or
134.29 employee's family member, provided the absence is to:

134.30 (i) seek medical attention related to physical or psychological injury or disability caused
134.31 by domestic abuse, sexual assault, or stalking;

- 135.1 (ii) obtain services from a victim services organization;
- 135.2 (iii) obtain psychological or other counseling;
- 135.3 (iv) seek relocation due to domestic abuse, sexual assault, or stalking; or
- 135.4 (v) seek legal advice or take legal action, including preparing for or participating in any
- 135.5 civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault,
- 135.6 or stalking;
- 135.7 (4) closure of the employee's place of business due to weather or other public emergency
- 135.8 or an employee's need to care for a family member whose school or place of care has been
- 135.9 closed due to weather or other public emergency; and
- 135.10 (5) when it has been determined by the health authorities having jurisdiction or by a
- 135.11 health care professional that the presence of the employee or family member of the employee
- 135.12 in the community would jeopardize the health of others because of the exposure of the
- 135.13 employee or family member of the employee to a communicable disease, whether or not
- 135.14 the employee or family member has actually contracted the communicable disease.
- 135.15 (b) An employer may require notice of the need for use of earned sick and safe time as
- 135.16 provided in this paragraph. If the need for use is foreseeable, an employer may require
- 135.17 advance notice of the intention to use earned sick and safe time but must not require more
- 135.18 than seven days' advance notice. If the need is unforeseeable, an employer may require an
- 135.19 employee to give notice of the need for earned sick and safe time as soon as practicable.
- 135.20 (c) When an employee uses earned sick and safe time for more than three consecutive
- 135.21 days, an employer may require reasonable documentation that the earned sick and safe time
- 135.22 is covered by paragraph (a). For earned sick and safe time under paragraph (a), clauses (1)
- 135.23 and (2), reasonable documentation may include a signed statement by a health care
- 135.24 professional indicating the need for use of earned sick and safe time. For earned sick and
- 135.25 safe time under paragraph (a), clause (3), an employer must accept a court record or
- 135.26 documentation signed by a volunteer or employee of a victims services organization, an
- 135.27 attorney, a police officer, or an antiviolence counselor as reasonable documentation. An
- 135.28 employer must not require disclosure of details relating to domestic abuse, sexual assault,
- 135.29 or stalking or the details of an employee's or an employee's family member's medical
- 135.30 condition as related to an employee's request to use earned sick and safe time under this
- 135.31 section.

136.1 (d) An employer may not require, as a condition of an employee using earned sick and
136.2 safe time, that the employee seek or find a replacement worker to cover the hours the
136.3 employee uses as earned sick and safe time.

136.4 (e) Earned sick and safe time may be used in the smallest increment of time tracked by
136.5 the employer's payroll system, provided such increment is not more than four hours.

136.6 Subd. 4. **Retaliation prohibited.** An employer shall not take retaliatory personnel action
136.7 against an employee because the employee has requested earned sick and safe time, used
136.8 earned sick and safe time, requested a statement of accrued sick and safe time, or made a
136.9 complaint or filed an action to enforce a right to earned sick and safe time under this section.

136.10 Subd. 5. **Reinstatement to comparable position after leave.** An employee returning
136.11 from a leave under this section is entitled to return to employment in a comparable position.
136.12 If, during a leave under this section, the employer experiences a layoff and the employee
136.13 would have lost a position had the employee not been on leave, pursuant to the good faith
136.14 operation of a bona fide layoff and recall system, including a system under a collective
136.15 bargaining agreement, the employee is not entitled to reinstatement in the former or
136.16 comparable position. In such circumstances, the employee retains all rights under the layoff
136.17 and recall system, including a system under a collective bargaining agreement, as if the
136.18 employee had not taken the leave.

136.19 Subd. 6. **Pay and benefits after leave.** An employee returning from a leave under this
136.20 section is entitled to return to employment at the same rate of pay the employee had been
136.21 receiving when the leave commenced, plus any automatic adjustments in the employee's
136.22 pay scale that occurred during leave period. The employee returning from a leave is entitled
136.23 to retain all accrued preleave benefits of employment and seniority as if there had been no
136.24 interruption in service, provided that nothing under this section prevents the accrual of
136.25 benefits or seniority during the leave pursuant to a collective bargaining or other agreement
136.26 between the employer and employees.

136.27 Subd. 7. **Part-time return from leave.** An employee, by agreement with the employer,
136.28 may return to work part time during the leave period without forfeiting the right to return
136.29 to employment at the end of the leave, as provided under this section.

136.30 Subd. 8. **Notice and posting by employer.** (a) Employers must give notice to all
136.31 employees that they are entitled to earned sick and safe time, including the amount of earned
136.32 sick and safe time, the accrual year for the employee, and the terms of its use under this
136.33 section; that retaliation against employees who request or use earned sick and safe time is
136.34 prohibited; and that each employee has the right to file a complaint or bring a civil action

137.1 if earned sick and safe time is denied by the employer or the employee is retaliated against
137.2 for requesting or using earned sick and safe time.

137.3 (b) Employers must supply employees with a notice in English and other appropriate
137.4 languages that contains the information required in paragraph (a) at commencement of
137.5 employment or the effective date of this section, whichever is later.

137.6 (c) The means used by the employer must be at least as effective as the following options
137.7 for providing notice:

137.8 (1) posting a copy of the notice at each location where employees perform work and
137.9 where the notice must be readily observed and easily reviewed by all employees performing
137.10 work; or

137.11 (2) providing a paper or electronic copy of the notice to employees.

137.12 The notice must contain all information required under paragraph (a). The commissioner
137.13 shall create and make available to employers a poster and a model notice that contains the
137.14 information required under paragraph (a) for their use in complying with this section.

137.15 (d) An employer that provides an employee handbook to its employees must include in
137.16 the handbook notice of employee rights and remedies under this section.

137.17 Subd. 9. **Required statement to employee.** (a) Upon request of the employee, the
137.18 employer must provide, in writing or electronically, current information stating the
137.19 employee's amount of:

137.20 (1) earned sick and safe time available to the employee; and

137.21 (2) used earned sick and safe time.

137.22 (b) Employers may choose a reasonable system for providing the information in paragraph
137.23 (a), including but not limited to listing information on each pay stub or developing an online
137.24 system where employees can access their own information.

137.25 Subd. 10. **Employer records.** (a) Employers shall retain accurate records documenting
137.26 hours worked by employees and earned sick and safe time taken and comply with all
137.27 requirements under section 177.30.

137.28 (b) An employer must allow an employee to inspect records required by this section and
137.29 relating to that employee at a reasonable time and place.

137.30 Subd. 11. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section,
137.31 an employer possesses (1) health or medical information regarding an employee or an
137.32 employee's family member; (2) information pertaining to domestic abuse, sexual assault,

138.1 or stalking; (3) information that the employee has requested or obtained leave under this
138.2 section; or (4) any written or oral statement, documentation, record, or corroborating evidence
138.3 provided by the employee or an employee's family member, the employer must treat such
138.4 information as confidential. Information given by an employee may only be disclosed by
138.5 an employer if the disclosure is requested or consented to by the employee, when ordered
138.6 by a court or administrative agency, or when otherwise required by federal or state law.

138.7 (b) Records and documents relating to medical certifications, recertifications, or medical
138.8 histories of employees or family members of employees created for purposes of this section
138.9 or section 177.50 must be maintained as confidential medical records separate from the
138.10 usual personnel files. At the request of the employee, the employer must destroy or return
138.11 the records required by this section that are older than three years prior to the current calendar
138.12 year.

138.13 (c) Employers may not discriminate against any employee based on records created for
138.14 the purposes of this section or section 177.50.

138.15 Subd. 12. **No effect on more generous sick and safe time policies.** (a) Nothing in this
138.16 section shall be construed to discourage employers from adopting or retaining earned sick
138.17 and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum
138.18 standards and requirements provided in this section.

138.19 (b) Nothing in this section shall be construed to limit the right of parties to a collective
138.20 bargaining agreement to bargain and agree with respect to earned sick and safe time policies
138.21 or to diminish the obligation of an employer to comply with any contract, collective
138.22 bargaining agreement, or any employment benefit program or plan that meets or exceeds,
138.23 and does not otherwise conflict with, the minimum standards and requirements provided in
138.24 this section.

138.25 (c) Employers who provide earned sick and safe time to their employees under a paid
138.26 time off policy or other paid leave policy that meets or exceeds, and does not otherwise
138.27 conflict with, the minimum standards and requirements provided in this section are not
138.28 required to provide additional earned sick and safe time.

138.29 (d) An employer may opt to satisfy the requirements of this section for construction
138.30 industry employees by:

138.31 (1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated
138.32 by the Department of Labor and Industry; or

139.1 (2) paying at least the required rate established in a registered apprenticeship agreement
139.2 for apprentices registered with the Department of Labor and Industry.

139.3 An employer electing this option is deemed to be in compliance with this section for
139.4 construction industry employees who receive either at least the prevailing wage rate or the
139.5 rate required in the applicable apprenticeship agreement regardless of whether the employees
139.6 are working on private or public projects.

139.7 (e) This section does not prohibit an employer from establishing a policy whereby
139.8 employees may donate unused accrued sick and safe time to another employee.

139.9 (f) This section does not prohibit an employer from advancing sick and safe time to an
139.10 employee before accrual by the employee.

139.11 Subd. 13. **Termination; separation; transfer.** This section does not require financial
139.12 or other reimbursement to an employee from an employer upon the employee's termination,
139.13 resignation, retirement, or other separation from employment for accrued earned sick and
139.14 safe time that has not been used. If an employee is transferred to a separate division, entity,
139.15 or location, but remains employed by the same employer, the employee is entitled to all
139.16 earned sick and safe time accrued at the prior division, entity, or location and is entitled to
139.17 use all earned sick and safe time as provided in this section. When there is a separation from
139.18 employment and the employee is rehired within 180 days of separation by the same employer,
139.19 previously accrued earned sick and safe time that had not been used must be reinstated. An
139.20 employee is entitled to use accrued earned sick and safe time and accrue additional earned
139.21 sick and safe time at the commencement of reemployment.

139.22 Subd. 14. **Employer succession.** (a) When a different employer succeeds or takes the
139.23 place of an existing employer, all employees of the original employer who remain employed
139.24 by the successor employer are entitled to all earned sick and safe time accrued but not used
139.25 when employed by the original employer, and are entitled to use all earned sick and safe
139.26 time previously accrued but not used.

139.27 (b) If, at the time of transfer of the business, employees are terminated by the original
139.28 employer and hired within 30 days by the successor employer following the transfer, those
139.29 employees are entitled to all earned sick and safe time accrued but not used when employed
139.30 by the original employer, and are entitled to use all earned sick and safe time previously
139.31 accrued but not used.

139.32 Sec. 3. **REPEALER.**

139.33 Minnesota Statutes 2018, section 181.9413, is repealed.

140.1 Sec. 4. EFFECTIVE DATE.

140.2 Sections 1 to 3 are effective 180 days following final enactment.

140.3 **ARTICLE 7**140.4 **EARNED SICK AND SAFE TIME ENFORCEMENT**

140.5 Section 1. Minnesota Statutes 2018, section 177.27, subdivision 2, is amended to read:

140.6 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
140.7 of employees working in the state to submit to the commissioner photocopies, certified
140.8 copies, or, if necessary, the originals of employment records which the commissioner deems
140.9 necessary or appropriate. The records which may be required include full and correct
140.10 statements in writing, including sworn statements by the employer, containing information
140.11 relating to wages, hours, names, addresses, and any other information pertaining to the
140.12 employer's employees and the conditions of their employment as the commissioner deems
140.13 necessary or appropriate.

140.14 The commissioner may require the records to be submitted by certified mail delivery
140.15 or, if necessary, by personal delivery by the employer or a representative of the employer,
140.16 as authorized by the employer in writing.

140.17 The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit
140.18 or deliver records as required by this section. This penalty is in addition to any penalties
140.19 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
140.20 under this subdivision, the appropriateness of such penalty to the size of the employer's
140.21 business and the gravity of the violation shall be considered.

140.22 Sec. 2. Minnesota Statutes 2018, section 177.27, subdivision 4, is amended to read:

140.23 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
140.24 employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032,
140.25 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275,
140.26 subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445, or with any rule
140.27 promulgated under section 177.28. The commissioner shall issue an order requiring an
140.28 employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes
140.29 of this subdivision only, a violation is repeated if at any time during the two years that
140.30 preceded the date of violation, the commissioner issued an order to the employer for violation
140.31 of sections 177.41 to 177.435 and the order is final or the commissioner and the employer
140.32 have entered into a settlement agreement that required the employer to pay back wages that

141.1 were required by sections 177.41 to 177.435. The department shall serve the order upon the
141.2 employer or the employer's authorized representative in person or by certified mail at the
141.3 employer's place of business. An employer who wishes to contest the order must file written
141.4 notice of objection to the order with the commissioner within 15 calendar days after being
141.5 served with the order. A contested case proceeding must then be held in accordance with
141.6 sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the
141.7 employer fails to file a written notice of objection with the commissioner, the order becomes
141.8 a final order of the commissioner.

141.9 Sec. 3. Minnesota Statutes 2018, section 177.27, subdivision 7, is amended to read:

141.10 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
141.11 violated a section identified in subdivision 4, or any rule adopted under section 177.28, and
141.12 the commissioner issues an order to comply, the commissioner shall order the employer to
141.13 cease and desist from engaging in the violative practice and to take such affirmative steps
141.14 that in the judgment of the commissioner will effectuate the purposes of the section or rule
141.15 violated. The commissioner shall order the employer to pay to the aggrieved parties back
141.16 pay, gratuities, and compensatory damages, less any amount actually paid to the employee
141.17 by the employer, and for an additional equal amount as liquidated damages. Any employer
141.18 who is found by the commissioner to have repeatedly or willfully violated a section or
141.19 sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000
141.20 for each violation for each employee. In determining the amount of a civil penalty under
141.21 this subdivision, the appropriateness of such penalty to the size of the employer's business
141.22 and the gravity of the violation shall be considered. In addition, the commissioner may order
141.23 the employer to reimburse the department and the attorney general for all appropriate
141.24 litigation and hearing costs expended in preparation for and in conducting the contested
141.25 case proceeding, unless payment of costs would impose extreme financial hardship on the
141.26 employer. If the employer is able to establish extreme financial hardship, then the
141.27 commissioner may order the employer to pay a percentage of the total costs that will not
141.28 cause extreme financial hardship. Costs include but are not limited to the costs of services
141.29 rendered by the attorney general, private attorneys if engaged by the department,
141.30 administrative law judges, court reporters, and expert witnesses as well as the cost of
141.31 transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's
141.32 order from the date the order is signed by the commissioner until it is paid, at an annual rate
141.33 provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish
141.34 escrow accounts for purposes of distributing damages.

142.1 Sec. 4. **[177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

142.2 **Subdivision 1. Definitions.** The definitions in section 181.9445, subdivision 1, apply to
142.3 this section.

142.4 **Subd. 2. Rulemaking authority.** The commissioner may adopt rules to carry out the
142.5 purposes of this section and section 181.9445.

142.6 **Subd. 3. Individual remedies.** In addition to any other remedies provided by law, a
142.7 person injured by a violation of section 181.9445 may bring a civil action to recover general
142.8 and special damages, along with costs, fees, and reasonable attorney fees, and may receive
142.9 injunctive and other equitable relief as determined by a court. An action to recover damages
142.10 under this subdivision must be commenced within three years of the violation of section
142.11 181.9445 that caused the injury to the employee.

142.12 **Subd. 4. Grants to community organizations.** The commissioner may make grants to
142.13 community organizations for the purpose of outreach to and education for employees
142.14 regarding their rights under section 181.9445. The community-based organizations must
142.15 be selected based on their experience, capacity, and relationships in high-violation industries.
142.16 The work under such a grant may include the creation and administration of a statewide
142.17 worker hotline.

142.18 **Subd. 5. Report to legislature.** (a) The commissioner must submit an annual report to
142.19 the legislature, including to the chairs and ranking minority members of any relevant
142.20 legislative committee. The report must include, but is not limited to:

142.21 (1) a list of all violations of section 181.9445, including the employer involved, and the
142.22 nature of any violations; and

142.23 (2) an analysis of noncompliance with section 181.9445, including any patterns by
142.24 employer, industry, or county.

142.25 (b) A report under this section must not include an employee's name or other identifying
142.26 information, any health or medical information regarding an employee or an employee's
142.27 family member, or any information pertaining to domestic abuse, sexual assault, or stalking
142.28 of an employee or an employee's family member.

142.29 **Subd. 6. Contract for labor or services.** It is the responsibility of all employers to not
142.30 enter into any contract or agreement for labor or services where the employer has any actual
142.31 knowledge or knowledge arising from familiarity with the normal facts and circumstances
142.32 of the business activity engaged in, or has any additional facts or information that, taken
142.33 together, would make a reasonably prudent person undertake to inquire whether, taken

143.1 together, the contractor is not complying or has failed to comply with this section. For
143.2 purposes of this subdivision, "actual knowledge" means information obtained by the employer
143.3 that the contractor has violated this section within the past two years and has failed to present
143.4 the employer with credible evidence that such noncompliance has been cured going forward.

143.5 **EFFECTIVE DATE.** This section is effective 180 days after final enactment.

143.6 **ARTICLE 8**

143.7 **LABOR AND INDUSTRY POLICY**

143.8 Section 1. Minnesota Statutes 2018, section 15.72, subdivision 2, is amended to read:

143.9 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any
143.10 progress payment on a public contract for a public improvement an amount not to exceed
143.11 five percent of the payment. ~~A~~ The public contracting agency may reduce the amount of
143.12 the retainage and may eliminate retainage on any monthly contract payment if, in the agency's
143.13 opinion, the work is progressing satisfactorily.

143.14 (b) For all construction contracts greater than \$5,000,000, the public contracting agency
143.15 must reduce retainage to no more than 2.5 percent if the public contracting agency determines
143.16 the work is 75 percent or more complete, that work is progressing satisfactorily, and all
143.17 contract requirements are being met.

143.18 (c) The public contracting agency must release any remaining retainage no later than 60
143.19 days after substantial completion.

143.20 (d) A contractor on a public contract for a public improvement must pay out any
143.21 remaining retainage to its subcontractors no later than ten days after receiving payment of
143.22 retainage from the public contracting agency, unless there is a dispute about the work under
143.23 a subcontract. If there is a dispute about the work under a subcontract, the contractor must
143.24 pay out retainage to any subcontractor whose work is not involved in the dispute, and must
143.25 provide a written statement detailing the amount and reason for the withholding to the
143.26 affected subcontractor and the public agency.

143.27 (e) A contractor may not reserve as retainage from a subcontractor an amount that exceeds
143.28 the amount reserved by the public contracting agency under this subdivision. Upon written
143.29 request of a subcontractor who has not been paid for work in accordance with section
143.30 16A.1245 or 471.425, subdivision 4a, the public contracting agency shall notify the
143.31 subcontractor of a progress payment, retainage payment, or final payment made to the
143.32 contractor. A contractor must include in any contract with a subcontractor the name, address,

144.1 and telephone number of a responsible official at the public contracting agency that may
144.2 be contacted for purposes of making a request under this paragraph.

144.3 (f) After substantial completion, a public contracting agency may withhold no more
144.4 than:

144.5 (1) 250 percent of the value of incomplete or defective work; and

144.6 (2) one percent of the value of the contract or \$500, whichever is greater, pending
144.7 completion and submission of all final paperwork by the contractor, provided that an amount
144.8 withheld under this clause may not exceed \$10,000.

144.9 If the public contracting agency withholds payment under this paragraph, the public
144.10 contracting agency must promptly provide a written statement detailing the amount and
144.11 basis of withholding to the contractor. The public contracting agency must provide a copy
144.12 of this statement to any subcontractor that requests it. Any amounts withheld for incomplete
144.13 or defective work shall be paid within 45 days after the completion of the work. Any amounts
144.14 withheld under clause (1) must be paid within 45 days after completion of the work. Any
144.15 amounts withheld under clause (2) must be paid within 45 days after submission of all final
144.16 paperwork.

144.17 (g) As used in this subdivision, "substantial completion" shall be determined as provided
144.18 in section 541.051, subdivision 1, paragraph (a). For construction, reconstruction, or
144.19 improvement of streets and highways, including bridges, substantial completion means the
144.20 date when construction-related traffic devices and ongoing inspections are no longer required.

144.21 (h) The maximum retainage percentage allowed for a building and construction contract
144.22 is the retainage percentage withheld by the public contracting agency from the contractor.

144.23 (i) Withholding retainage for warranties or warranty work is prohibited.

144.24 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
144.25 1, 2019.

144.26 Sec. 2. Minnesota Statutes 2018, section 175.46, subdivision 3, is amended to read:

144.27 Subd. 3. **Duties.** (a) The commissioner shall:

144.28 (1) approve youth skills training programs that train student learners for careers in
144.29 high-growth, high-demand occupations that provide:

144.30 (i) that the work of the student learner in the occupations declared particularly hazardous
144.31 shall be incidental to the training;

145.1 (ii) that the work shall be intermittent and for short periods of time, and under the direct
145.2 and close supervision of a qualified and experienced person;

145.3 (iii) that safety instruction shall be provided to the student learner and may be given by
145.4 the school and correlated by the employer with on-the-job training;

145.5 (iv) a schedule of organized and progressive work processes to be performed on the job;

145.6 (v) a schedule of wage rates in compliance with section 177.24; and

145.7 (vi) whether the student learner will obtain secondary school academic credit,
145.8 postsecondary credit, or both, for the training program;

145.9 (2) approve occupations and maintain a list of approved occupations for programs under
145.10 this section;

145.11 (3) issue requests for proposals for grants;

145.12 (4) work with individuals representing industry and labor to develop new youth skills
145.13 training programs;

145.14 (5) develop model program guides;

145.15 (6) monitor youth skills training programs;

145.16 (7) provide technical assistance to local partnership grantees;

145.17 (8) work with providers to identify paths for receiving postsecondary credit for
145.18 participation in the youth skills training program; and

145.19 (9) approve other activities as necessary to implement the program.

145.20 (b) The commissioner shall collaborate with stakeholders, including, but not limited to,
145.21 representatives of secondary school institutions, career and technical education instructors,
145.22 postsecondary institutions, businesses, and labor, in developing youth skills training
145.23 programs, and identifying and approving occupations and competencies for youth skills
145.24 training programs.

145.25 Sec. 3. Minnesota Statutes 2018, section 175.46, subdivision 13, is amended to read:

145.26 Subd. 13. **Grant awards.** (a) The commissioner shall award grants to local partnerships
145.27 for youth skills training programs that train student learners for careers in high-growth,
145.28 high-demand occupations. Grant awards may not exceed \$100,000 per local partnership
145.29 grant.

146.1 (b) A local partnership awarded a grant under this section must use the grant award for
146.2 any of the following implementation and coordination activities:

146.3 (1) recruiting additional employers to provide on-the-job training and supervision for
146.4 student learners and providing technical assistance to those employers;

146.5 (2) recruiting students to participate in the local youth skills training program, monitoring
146.6 the progress of student learners participating in the program, and monitoring program
146.7 outcomes;

146.8 (3) coordinating youth skills training activities within participating school districts and
146.9 among participating school districts, postsecondary institutions, and employers;

146.10 (4) coordinating academic, vocational and occupational learning, school-based and
146.11 work-based learning, and secondary and postsecondary education for participants in the
146.12 local youth skills training program;

146.13 (5) coordinating transportation for student learners participating in the local youth skills
146.14 training program; and

146.15 (6) any other implementation or coordination activity that the commissioner may direct
146.16 or permit the local partnership to perform.

146.17 ~~(b)~~ (c) Grant awards may not be used to directly or indirectly pay the wages of a student
146.18 learner.

146.19 Sec. 4. Minnesota Statutes 2018, section 176.1812, subdivision 2, is amended to read:

146.20 Subd. 2. **Filing and review.** (a) A copy of the agreement and the approximate number
146.21 of employees who will be covered under it must be filed with the commissioner. Within 21
146.22 days of receipt of an agreement, the commissioner shall review the agreement for compliance
146.23 with this section and the benefit provisions of this chapter and notify the parties of any
146.24 additional information required or any recommended modification that would bring the
146.25 agreement into compliance. Upon receipt of any requested information or modification, the
146.26 commissioner must notify the parties within 21 days whether the agreement is in compliance
146.27 with this section and the benefit provisions of this chapter.

146.28 (b) After an agreement is approved by the commissioner under paragraph (a), a qualified
146.29 employer may join or withdraw from a qualified group of employers without commissioner
146.30 review or approval. The commissioner must be notified within 30 days when a qualified
146.31 employer joins or withdraws from a qualified group of employers.

147.1 (c) In order for any agreement to remain in effect, it must provide for a timely and
 147.2 accurate method of reporting to the commissioner ~~necessary information regarding service~~
 147.3 ~~cost and utilization~~ the individual claims covered by the agreement and claim-specific
 147.4 dispute resolution data, in the form and manner prescribed by the commissioner. Dispute
 147.5 resolution data includes information about facilitation, mediation, and arbitration and shall
 147.6 be provided annually to the commissioner to enable the commissioner to annually report
 147.7 aggregate dispute data to the legislature. The information provided to the commissioner
 147.8 ~~must include aggregate data on the:~~

147.9 ~~(i) person hours and payroll covered by agreements filed;~~

147.10 ~~(ii) number of claims filed;~~

147.11 ~~(iii) average cost per claim;~~

147.12 ~~(iv) number of litigated claims, including the number of claims submitted to arbitration,~~
 147.13 ~~the Workers' Compensation Court of Appeals, the Office of Administrative Hearings, the~~
 147.14 ~~district court, the Minnesota Court of Appeals or the supreme court;~~

147.15 ~~(v) number of contested claims resolved prior to arbitration;~~

147.16 ~~(vi) projected incurred costs and actual costs of claims;~~

147.17 ~~(vii) employer's safety history;~~

147.18 ~~(viii) number of workers participating in vocational rehabilitation; and~~

147.19 ~~(ix) number of workers participating in light-duty programs.~~

147.20 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective June 1, 2019. Paragraph (c)
 147.21 is effective August 1, 2020.

147.22 Sec. 5. Minnesota Statutes 2018, section 176.231, subdivision 1, is amended to read:

147.23 Subdivision 1. **Time limitation.** (a) Where death or serious injury occurs to an employee
 147.24 during the course of employment, the employer shall report the injury or death to the
 147.25 commissioner and insurer within 48 hours after its occurrence. Where any other injury
 147.26 occurs which wholly or partly incapacitates the employee from performing labor or service
 147.27 for more than three calendar days, the employer shall report the injury to the insurer on a
 147.28 form prescribed by the commissioner within ten days from its occurrence. An insurer and
 147.29 self-insured employer shall report the injury to the commissioner no later than 14 days from
 147.30 its occurrence. Where an injury has once been reported but subsequently death ensues, the
 147.31 employer shall report the death to the commissioner and insurer within 48 hours after the
 147.32 employer receives notice of this fact. An employer who provides notice to the Occupational

148.1 Safety and Health Division of the Department of Labor and Industry of a fatality within the
148.2 eight-hour time frame required by law, or of an inpatient hospitalization within the 24-hour
148.3 time frame required by law, has satisfied the employer's obligation under this section.

148.4 (b) At the time an injury is required to be reported to the commissioner, the insurer or
148.5 self-insured employer must also specify whether the injury is covered by a collective
148.6 bargaining agreement approved by the commissioner under section 176.1812. Notice must
148.7 be provided in the format and manner prescribed by the commissioner.

148.8 **EFFECTIVE DATE.** This section is effective August 1, 2020.

148.9 Sec. 6. Minnesota Statutes 2018, section 179.86, subdivision 1, is amended to read:

148.10 Subdivision 1. **Definition.** For the purpose of this section, "employer" means:

148.11 (1) an employer ~~in the meatpacking industry~~ whose employees routinely pack, can, or
148.12 otherwise process poultry or meat for human consumption; or

148.13 (2) an employer whose employees routinely clean or sterilize meat processing or poultry
148.14 processing equipment used by an employer as defined in clause (1).

148.15 Sec. 7. Minnesota Statutes 2018, section 179.86, subdivision 3, is amended to read:

148.16 Subd. 3. **Information provided to employee by employer.** (a) An employer must
148.17 provide an explanation ~~in an employee's native language~~ of the employee's rights and duties
148.18 as an employee either person to person or through written materials that, at a minimum,
148.19 include:

148.20 (1) a complete description of the salary and benefits plans as they relate to the employee;

148.21 (2) a job description for the employee's position;

148.22 (3) a description of leave policies;

148.23 (4) a description of the work hours and work hours policy; and

148.24 (5) a description of the occupational hazards known to exist for the position.

148.25 (b) The explanation must also include information on the following employee rights as
148.26 protected by state or federal law and a description of where additional information about
148.27 those rights may be obtained:

148.28 (1) the right to organize and bargain collectively and refrain from organizing and
148.29 bargaining collectively;

148.30 (2) the right to a safe workplace; and

149.1 (3) the right to be free from discrimination.

149.2 (c) The explanation must be provided in a language the employee speaks fluently.

149.3 Sec. 8. Minnesota Statutes 2018, section 181.635, subdivision 2, is amended to read:

149.4 Subd. 2. **Recruiting; required disclosure.** An employer shall provide written disclosure
149.5 of the terms and conditions of employment to a person at the time it recruits the person to
149.6 relocate to work in the food processing industry. The disclosure requirement does not apply
149.7 to an exempt employee as defined in United States Code, title 29, section 213(a)(1). The
149.8 disclosure must be written in ~~English and Spanish~~, a language the employee speaks fluently
149.9 in addition to any other languages preferred by the employer. The disclosure must be dated
149.10 and signed by the employer and the person recruited, and maintained by the employer for
149.11 two years. If the employer has any reason to doubt the employee's ability to read, the
149.12 employer must read the disclosure out loud to the employee in a language the employee
149.13 speaks fluently before the disclosure is signed. A copy of the signed and completed disclosure
149.14 must be delivered immediately to the recruited person. The disclosure may not be construed
149.15 as an employment contract.

149.16 Sec. 9. Minnesota Statutes 2018, section 182.659, subdivision 8, is amended to read:

149.17 Subd. 8. **Protection from subpoena; data.** Neither the commissioner nor any employee
149.18 of the department, ~~including those employees of the Department of Health providing services~~
149.19 ~~to the Department of Labor and Industry, pursuant to section 182.67, subdivision 1,~~ is subject
149.20 to subpoena for purposes of inquiry into any occupational safety and health inspection
149.21 except in enforcement proceedings brought under this chapter. Data that identify individuals
149.22 who provide data to the department as part of an investigation conducted under this chapter
149.23 shall be private.

149.24 Sec. 10. Minnesota Statutes 2018, section 182.666, subdivision 1, is amended to read:

149.25 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
149.26 violates the requirements of section 182.653, or any standard, rule, or order adopted under
149.27 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
149.28 exceed ~~\$70,000~~ \$129,335 for each violation. The minimum fine for a willful violation is
149.29 ~~\$5,000~~ \$9,240.

149.30 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.1 Sec. 11. Minnesota Statutes 2018, section 182.666, subdivision 2, is amended to read:

150.2 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
150.3 violation of its duties under section 182.653, or any standard, rule, or order adopted under
150.4 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
150.5 to exceed ~~\$7,000~~ \$12,935 for each violation. If a serious violation under section 182.653,
150.6 subdivision 2, causes or contributes to the death of an employee, the employer shall be
150.7 assessed a fine of up to \$25,000 for each violation.

150.8 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.9 Sec. 12. Minnesota Statutes 2018, section 182.666, subdivision 3, is amended to read:

150.10 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
150.11 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
150.12 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
150.13 may be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

150.14 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.15 Sec. 13. Minnesota Statutes 2018, section 182.666, subdivision 4, is amended to read:

150.16 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
150.17 for which a citation has been issued under section 182.66 within the period permitted for
150.18 its correction, which period shall not begin to run until the date of the final order of the
150.19 commissioner in the case of any review proceedings under this chapter initiated by the
150.20 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
150.21 a fine of not more than ~~\$7,000~~ \$12,935 for each day during which the failure or violation
150.22 continues.

150.23 **EFFECTIVE DATE.** This section is effective July 1, 2019.

150.24 Sec. 14. Minnesota Statutes 2018, section 182.666, subdivision 5, is amended to read:

150.25 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
150.26 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
150.27 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,935 for each violation.

150.28 **EFFECTIVE DATE.** This section is effective July 1, 2019.

151.1 Sec. 15. Minnesota Statutes 2018, section 182.666, is amended by adding a subdivision
151.2 to read:

151.3 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
151.4 in 2019, the commissioner shall determine the percentage increase in the rate of inflation,
151.5 as measured by the implicit price deflator, national data for personal consumption
151.6 expenditures as determined by the United States Department of Commerce, Bureau of
151.7 Economic Analysis during the 12-month period immediately preceding that August or, if
151.8 that data is unavailable, during the most recent 12-month period for which data is available.
151.9 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
151.10 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
151.11 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
151.12 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
151.13 dollar amount evenly divisible by ten.

151.14 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
151.15 than the corresponding federal penalties for the specified violations promulgated in United
151.16 States Code, title 29, section, 666, subsections (a)-(d), (i), as amended through November
151.17 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
151.18 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

151.19 (c) A fine must not be reduced under this subdivision. A fine increased under this
151.20 subdivision takes effect on the next January 1.

151.21 **EFFECTIVE DATE.** This section is effective July 1, 2019.

151.22 Sec. 16. Minnesota Statutes 2018, section 326B.082, subdivision 6, is amended to read:

151.23 **Subd. 6. Notices of violation.** (a) The commissioner may issue a notice of violation to
151.24 any person who the commissioner determines has committed a violation of the applicable
151.25 law. The notice of violation must state a summary of the facts that constitute the violation
151.26 and the applicable law violated. The notice of violation may require the person to correct
151.27 the violation. If correction is required, the notice of violation must state the deadline by
151.28 which the violation must be corrected.

151.29 (b) The commissioner shall issue the notice of violation by:

151.30 (1) serving the notice of violation on the property owner or on the person who committed
151.31 the violation; or

151.32 (2) posting the notice of violation at the location where the violation occurred.

152.1 (c) If the person to whom the commissioner has issued the notice of violation believes
152.2 the notice was issued in error, then the person may request reconsideration of the parts of
152.3 the notice that the person believes are in error. The request for reconsideration must be in
152.4 writing and must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~,
152.5 fax number, or e-mail address specified in the notice of violation by the tenth day after the
152.6 commissioner issued the notice of violation. The date on which a request for reconsideration
152.7 is served by mail shall be the postmark date on the envelope in which the request for
152.8 reconsideration is mailed. If the person does not serve ~~or~~, fax, or e-mail a written request
152.9 for reconsideration or if the person's written request for reconsideration is not served on or
152.10 faxed to the commissioner by the tenth day after the commissioner issued the notice of
152.11 violation, the notice of violation shall become a final order of the commissioner and will
152.12 not be subject to review by any court or agency. The request for reconsideration must:

152.13 (1) specify which parts of the notice of violation the person believes are in error;

152.14 (2) explain why the person believes the parts are in error; and

152.15 (3) provide documentation to support the request for reconsideration.

152.16 The commissioner shall respond in writing to requests for reconsideration made under
152.17 this paragraph within 15 days after receiving the request. A request for reconsideration does
152.18 not stay a requirement to correct a violation as set forth in the notice of violation. After
152.19 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
152.20 the notice of violation. The commissioner's response to a request for reconsideration is final
152.21 and shall not be reviewed by any court or agency.

152.22 Sec. 17. Minnesota Statutes 2018, section 326B.082, subdivision 8, is amended to read:

152.23 Subd. 8. **Hearings related to administrative orders.** (a) Within 30 days after the
152.24 commissioner issues an administrative order or within 20 days after the commissioner issues
152.25 the notice under section 326B.083, subdivision 3, paragraph (b), clause (3), the person to
152.26 whom the administrative order or notice is issued may request an expedited hearing to
152.27 review the commissioner's order or notice. The request for hearing must be in writing and
152.28 must be served on ~~or~~, faxed, or e-mailed to the commissioner at the address ~~or~~, fax number,
152.29 or e-mail address specified in the order or notice. If the person does not request a hearing
152.30 or if the person's written request for hearing is not served on ~~or~~, faxed, or e-mailed to the
152.31 commissioner by the 30th day after the commissioner issues the administrative order or the
152.32 20th day after the commissioner issues the notice under section 326B.083, subdivision 3,
152.33 paragraph (b), clause (3), the order will become a final order of the commissioner and will
152.34 not be subject to review by any court or agency. The date on which a request for hearing is

153.1 served by mail shall be the postmark date on the envelope in which the request for hearing
153.2 is mailed. The hearing request must specifically state the reasons for seeking review of the
153.3 order or notice. The person to whom the order or notice is issued and the commissioner are
153.4 the parties to the expedited hearing. The commissioner must notify the person to whom the
153.5 order or notice is issued of the time and place of the hearing at least 15 days before the
153.6 hearing. The expedited hearing must be held within 45 days after a request for hearing has
153.7 been received by the commissioner unless the parties agree to a later date.

153.8 (b) Parties may submit written arguments if permitted by the administrative law judge.
153.9 All written arguments must be submitted within ten days following the completion of the
153.10 hearing or the receipt of any late-filed exhibits that the parties and the administrative law
153.11 judge have agreed should be received into the record, whichever is later. The hearing shall
153.12 be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this
153.13 subdivision. The Office of Administrative Hearings may, in consultation with the agency,
153.14 adopt rules specifically applicable to cases under this section.

153.15 (c) The administrative law judge shall issue a report making findings of fact, conclusions
153.16 of law, and a recommended order to the commissioner within 30 days following the
153.17 completion of the hearing, the receipt of late-filed exhibits, or the submission of written
153.18 arguments, whichever is later.

153.19 (d) If the administrative law judge makes a finding that the hearing was requested solely
153.20 for purposes of delay or that the hearing request was frivolous, the commissioner may add
153.21 to the amount of the penalty the costs charged to the department by the Office of
153.22 Administrative Hearings for the hearing.

153.23 (e) If a hearing has been held, the commissioner shall not issue a final order until at least
153.24 five days after the date of the administrative law judge's report. Any person aggrieved by
153.25 the administrative law judge's report may, within those five days, serve written comments
153.26 to the commissioner on the report and the commissioner shall consider and enter the
153.27 comments in the record. The commissioner's final order shall comply with sections 14.61,
153.28 subdivision 2, and 14.62, subdivisions 1 and 2a, and may be appealed in the manner provided
153.29 in sections 14.63 to 14.69.

153.30 Sec. 18. Minnesota Statutes 2018, section 326B.082, subdivision 12, is amended to read:

153.31 Subd. 12. **Issuance of licensing orders; hearings related to licensing orders.** (a) If
153.32 the commissioner determines that a permit, license, registration, or certificate should be
153.33 conditioned, limited, suspended, revoked, or denied under subdivision 11, or that the permit
153.34 holder, licensee, registrant, or certificate holder should be censured under subdivision 11,

154.1 then the commissioner shall issue to the person an order denying, conditioning, limiting,
154.2 suspending, or revoking the person's permit, license, registration, or certificate, or censuring
154.3 the permit holder, licensee, registrant, or certificate holder.

154.4 (b) Any order issued under paragraph (a) may include an assessment of monetary penalties
154.5 and may require the person to cease and desist from committing the violation or committing
154.6 the act, conduct, or practice set out in subdivision 11, paragraph (b). The monetary penalty
154.7 may be up to \$10,000 for each violation or act, conduct, or practice committed by the person.
154.8 The procedures in section 326B.083 must be followed when issuing orders under paragraph
154.9 (a).

154.10 (c) The permit holder, licensee, registrant, certificate holder, or applicant to whom the
154.11 commissioner issues an order under paragraph (a) shall have 30 days after issuance of the
154.12 order to request a hearing. The request for hearing must be in writing and must be served
154.13 ~~on or~~ faxed, or e-mailed to the commissioner at the address ~~or~~ fax number, or e-mail address
154.14 specified in the order by the 30th day after issuance of the order. If the person does not
154.15 request a hearing or if the person's written request for hearing is not served ~~on or~~ faxed, or
154.16 e-mailed to the commissioner by the 30th day after issuance of the order, the order shall
154.17 become a final order of the commissioner and will not be subject to review by any court or
154.18 agency. The date on which a request for hearing is served by mail shall be the postmark
154.19 date on the envelope in which the request for hearing is mailed. If the person submits to the
154.20 commissioner a timely request for hearing, the order is stayed unless the commissioner
154.21 summarily suspends the license, registration, certificate, or permit under subdivision 13,
154.22 and a contested case hearing shall be held in accordance with chapter 14.

154.23 Sec. 19. Minnesota Statutes 2018, section 326B.103, subdivision 11, is amended to read:

154.24 Subd. 11. **Public building.** "Public building" means a building and its grounds the cost
154.25 of which is paid for by the state or a state agency regardless of its cost, and a ~~school district~~
154.26 building project for a school district or charter school ~~building project~~ the cost of which is
154.27 \$100,000 or more.

154.28 Sec. 20. Minnesota Statutes 2018, section 326B.106, subdivision 9, is amended to read:

154.29 Subd. 9. **Accessibility.** (a) **Public buildings.** The code must ~~provide for making~~ require
154.30 new public buildings constructed or remodeled after July 1, 1963, and remodeled portions
154.31 of existing public buildings to be accessible to and usable by persons with disabilities;
154.32 ~~although this does not require the remodeling of public buildings solely to provide~~

155.1 ~~accessibility and usability to persons with disabilities when remodeling would not otherwise~~
155.2 ~~be undertaken.~~

155.3 (b) **Leased space.** No agency of the state may lease space for agency operations in a
155.4 non-state-owned building unless the building satisfies the requirements of the State Building
155.5 Code for accessibility by persons with disabilities, or is eligible to display the state symbol
155.6 of accessibility. This limitation applies to leases of 30 days or more for space of at least
155.7 1,000 square feet.

155.8 (c) **Meetings or conferences.** Meetings or conferences for the public or for state
155.9 employees which are sponsored in whole or in part by a state agency must be held in
155.10 buildings that meet the State Building Code requirements relating to accessibility for persons
155.11 with disabilities. This subdivision does not apply to any classes, seminars, or training
155.12 programs offered by the Minnesota State Colleges and Universities or the University of
155.13 Minnesota. Meetings or conferences intended for specific individuals none of whom need
155.14 the accessibility features for persons with disabilities specified in the State Building Code
155.15 need not comply with this subdivision unless a person with a disability gives reasonable
155.16 advance notice of an intent to attend the meeting or conference. When sign language
155.17 interpreters will be provided, meetings or conference sites must be chosen which allow
155.18 participants who are deaf or hard-of-hearing to see the sign language interpreters clearly.

155.19 (d) **Exemptions.** The commissioner may grant an exemption from the requirements of
155.20 paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts
155.21 were made to secure facilities which complied with those requirements and if the selected
155.22 facilities are the best available for access for persons with disabilities. Exemptions shall be
155.23 granted using criteria developed by the commissioner in consultation with the Council on
155.24 Disability.

155.25 (e) **Symbol indicating access.** The wheelchair symbol adopted by Rehabilitation
155.26 International's Eleventh World Congress is the state symbol indicating buildings, facilities,
155.27 and grounds which are accessible to and usable by persons with disabilities. In the interests
155.28 of uniformity, this symbol is the sole symbol for display in or on all public or private
155.29 buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain
155.30 the symbol and keep it on file. No building, facility, or grounds may display the symbol
155.31 unless it is in compliance with the rules adopted by the commissioner under subdivision 1.
155.32 Before any rules are proposed for adoption under this paragraph, the commissioner shall
155.33 consult with the Council on Disability. Rules adopted under this paragraph must be enforced
155.34 in the same way as other accessibility rules of the State Building Code.

156.1 Sec. 21. Minnesota Statutes 2018, section 326B.46, is amended by adding a subdivision
156.2 to read:

156.3 Subd. 7. **License number to be displayed.** Any vehicle used by a plumbing contractor
156.4 or restricted plumbing contractor while performing plumbing work for which a contractor's
156.5 license is required shall have the contractor's name and license number as it appears on the
156.6 contractor's license in contrasting color with characters at least three inches high and one-half
156.7 inch in width affixed to each side of the vehicle.

156.8 Sec. 22. Minnesota Statutes 2018, section 326B.475, subdivision 4, is amended to read:

156.9 Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted
156.10 journeyworker plumber license must be renewed for as long as that licensee engages in the
156.11 plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master
156.12 plumber and restricted journeyworker plumber license within 12 months after the expiration
156.13 date will result in permanent forfeiture of the restricted master plumber and restricted
156.14 journeyworker plumber license.

156.15 ~~(b) The commissioner shall in a manner determined by the commissioner, without the~~
156.16 ~~need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber~~
156.17 ~~and restricted journeyworker plumber licenses from one year to two years. By June 30,~~
156.18 ~~2011, all restricted master plumber and restricted journeyworker plumber licenses shall be~~
156.19 ~~two-year licenses.~~

156.20 Sec. 23. Minnesota Statutes 2018, section 326B.802, subdivision 15, is amended to read:

156.21 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

156.22 (a) **Excavation.** Excavation includes work in any of the following areas:

156.23 (1) excavation;

156.24 (2) trenching;

156.25 (3) grading; and

156.26 (4) site grading.

156.27 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
156.28 areas:

156.29 (1) drain systems;

156.30 (2) poured walls;

- 157.1 (3) slabs and poured-in-place footings;
- 157.2 (4) masonry walls;
- 157.3 (5) masonry fireplaces;
- 157.4 (6) masonry veneer; and
- 157.5 (7) water resistance and waterproofing.
- 157.6 (c) **Carpentry.** Carpentry includes work in any of the following areas:
 - 157.7 (1) rough framing;
 - 157.8 (2) finish carpentry;
 - 157.9 (3) doors, windows, and skylights;
 - 157.10 (4) porches and decks, excluding footings;
 - 157.11 (5) wood foundations; and
 - 157.12 (6) drywall installation, excluding taping and finishing.
- 157.13 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:
 - 157.14 (1) floor covering;
 - 157.15 (2) wood floors;
 - 157.16 (3) cabinet and counter top installation;
 - 157.17 (4) insulation and vapor barriers;
 - 157.18 (5) interior or exterior painting;
 - 157.19 (6) ceramic, marble, and quarry tile;
 - 157.20 (7) ornamental guardrail and installation of prefabricated stairs; and
 - 157.21 (8) wallpapering.
- 157.22 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:
 - 157.23 (1) siding;
 - 157.24 (2) soffit, fascia, and trim;
 - 157.25 (3) exterior plaster and stucco;
 - 157.26 (4) painting; and
 - 157.27 (5) rain carrying systems, including gutters and down spouts.

158.1 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
158.2 areas:

158.3 (1) installation;

158.4 (2) taping;

158.5 (3) finishing;

158.6 (4) interior plaster;

158.7 (5) painting; and

158.8 (6) wallpapering.

158.9 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:

158.10 (1) roof coverings;

158.11 (2) roof sheathing;

158.12 (3) roof weatherproofing and insulation; ~~and~~

158.13 (4) repair of roof support system, but not construction of new roof support system; and

158.14 (5) penetration of roof covering for purposes of attaching a solar photovoltaic system.

158.15 (h) **General installation specialties.** Installation includes work in any of the following
158.16 areas:

158.17 (1) garage doors and openers;

158.18 (2) pools, spas, and hot tubs;

158.19 (3) fireplaces and wood stoves;

158.20 (4) asphalt paving and seal coating; ~~and~~

158.21 (5) ornamental guardrail and prefabricated stairs; and

158.22 (6) assembly of the support system for a solar photovoltaic system.

158.23 Sec. 24. Minnesota Statutes 2018, section 326B.815, subdivision 1, is amended to read:

158.24 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
158.25 an initial or renewed residential contractor, residential remodeler, or residential roofer license
158.26 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
158.27 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

159.1 (b) All initial and renewal licenses, except for manufactured home installer licenses,
159.2 shall be effective for two years and shall expire on March 31 of the year after the year in
159.3 which the application is made.

159.4 (c) The commissioner shall in a manner determined by the commissioner, without the
159.5 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
159.6 residential remodeler, and residential roofer licenses from one year to two years. By June
159.7 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
159.8 licenses shall be two-year licenses.

159.9 Sec. 25. Minnesota Statutes 2018, section 326B.821, subdivision 21, is amended to read:

159.10 Subd. 21. **Residential building contractor, remodeler, and roofer education.** (a) Each
159.11 licensee must, during each continuing education reporting period, complete and report one
159.12 hour of continuing education relating to energy codes or energy conservation measures
159.13 applicable to residential buildings and one hour of business management strategies applicable
159.14 to residential construction businesses.

159.15 (b) Immediately following the adoption date of a new residential code, the commissioner
159.16 may prescribe that up to seven of the required 14 hours of continuing education credit per
159.17 licensure period include education hours specifically designated to instruct licensees on
159.18 new or existing State Building Code provisions.

159.19 Sec. 26. Minnesota Statutes 2018, section 326B.84, is amended to read:

159.20 **326B.84 GROUNDS FOR SANCTIONS.**

159.21 The commissioner may use any enforcement provision in section 326B.082 against an
159.22 applicant for, qualifying person of, or holder of a license or certificate of exemption, or any
159.23 individual or entity who is required by law to hold a license or certificate of exemption, if
159.24 the individual, entity, applicant, licensee, certificate of exemption holder, qualifying person,
159.25 or owner, officer, member, managing employee, or affiliate of the applicant, licensee, or
159.26 certificate of exemption holder:

159.27 (1) has filed an application for licensure or a certificate of exemption which is incomplete
159.28 in any material respect or contains any statement which, in light of the circumstances under
159.29 which it is made, is false or misleading with respect to any material fact;

159.30 (2) has engaged in a fraudulent, deceptive, or dishonest practice;

159.31 (3) is permanently or temporarily enjoined by any court of competent jurisdiction from
159.32 engaging in or continuing any conduct or practice involving any aspect of the business;

160.1 (4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons,
160.2 or has performed negligently or in breach of contract, so as to cause injury or harm to the
160.3 public;

160.4 (5) has violated or failed to comply with any provision of sections 326B.802 to 326B.885,
160.5 any rule or order under sections 326B.802 to 326B.885, or any other law, rule, or order
160.6 related to the duties and responsibilities entrusted to the commissioner;

160.7 (6) has been convicted of a violation of the State Building Code or has refused to comply
160.8 with a correction order issued by a certified building official, or in local jurisdictions that
160.9 have not adopted the State Building Code has refused to correct a violation of the State
160.10 Building Code when the violation has been documented by a certified building official;

160.11 (7) has failed to use the proceeds of any payment made to the licensee for the construction
160.12 of, or any improvement to, residential real estate, as defined in section 326B.802, subdivision
160.13 13, for the payment of labor, skill, material, and machinery contributed to the construction
160.14 or improvement, knowing that the cost of any labor performed, or skill, material, or
160.15 machinery furnished for the improvement remains unpaid;

160.16 (8) has not furnished to the person making payment either a valid lien waiver as to any
160.17 unpaid labor performed, or skill, material, or machinery furnished for an improvement, or
160.18 a payment bond in the basic amount of the contract price for the improvement conditioned
160.19 for the prompt payment to any person or persons entitled to payment;

160.20 (9) has engaged in an act or practice that results in compensation to an aggrieved owner
160.21 or lessee from the contractor recovery fund pursuant to section 326B.89, unless:

160.22 (i) the applicant or licensee has repaid the fund twice the amount paid from the fund,
160.23 plus interest at the rate of 12 percent per year; and

160.24 (ii) the applicant or licensee has obtained a surety bond in the amount of at least \$40,000,
160.25 issued by an insurer authorized to transact business in this state;

160.26 (10) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a
160.27 civil lawsuit or arbitration arising out of their activities as a licensee or certificate of
160.28 exemption holder under this chapter;

160.29 (11) has had a judgment entered against them for failure to make payments to employees,
160.30 subcontractors, or suppliers, that the licensee has failed to satisfy and all appeals of the
160.31 judgment have been exhausted or the period for appeal has expired;

160.32 (12) if unlicensed, has obtained a building permit by the fraudulent use of a fictitious
160.33 license number or the license number of another, or, if licensed, has knowingly allowed an

161.1 unlicensed person to use the licensee's license number for the purpose of fraudulently
161.2 obtaining a building permit; or has applied for or obtained a building permit for an unlicensed
161.3 person;

161.4 (13) has made use of a forged mechanic's lien waiver under chapter 514;

161.5 (14) has provided false, misleading, or incomplete information to the commissioner or
161.6 has refused to allow a reasonable inspection of records or premises;

161.7 (15) has engaged in an act or practice whether or not the act or practice directly involves
161.8 the business for which the person is licensed, that demonstrates that the applicant or licensee
161.9 is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act
161.10 under the license granted by the commissioner; or

161.11 (16) has failed to comply with requests for information, documents, or other requests
161.12 from the department within the time specified in the request or, if no time is specified, within
161.13 30 days of the mailing of the request by the department.

161.14 Sec. 27. Minnesota Statutes 2018, section 327.31, is amended by adding a subdivision to
161.15 read:

161.16 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
161.17 construction that has been substantially manufactured or constructed, in whole or in part,
161.18 at an off-site location, with the final assembly occurring on site alone or with other units
161.19 and attached to a foundation designed to the State Building Code and occupied as a
161.20 single-family dwelling. Modular home construction must comply with applicable standards
161.21 adopted in Minnesota Rules, chapter 1360 or 1361.

161.22 Sec. 28. [327.335] **PLACEMENT OF MODULAR HOMES.**

161.23 A modular home may be placed in a manufactured home park as defined in section
161.24 327.14, subdivision 3. A modular home placed in a manufactured home park is a
161.25 manufactured home for purposes of chapters 327C and 504B and all rights, obligations, and
161.26 duties under those chapters apply. A modular home may not be placed in a manufactured
161.27 home park without prior written approval of the park owner. Nothing in this section shall
161.28 be construed to inhibit the application of zoning, subdivision, architectural, or esthetic
161.29 requirements pursuant to chapters 394 and 462 that otherwise apply to manufactured homes
161.30 and manufactured home parks. A modular home placed in a manufactured home park under
161.31 this section shall be assessed and taxed as a manufactured home.

162.1 Sec. 29. Minnesota Statutes 2018, section 327B.041, is amended to read:

162.2 **327B.041 MANUFACTURED HOME INSTALLERS.**

162.3 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
162.4 the requirements of sections 326B.802 to 326B.885, except for the following:

162.5 (1) manufactured home installers are not subject to the continuing education requirements
162.6 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
162.7 requirements established in rules adopted under section 327B.10;

162.8 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
162.9 home installers shall be satisfied by successful completion of a written examination
162.10 administered and developed specifically for the examination of manufactured home installers.
162.11 The examination must be administered and developed by the commissioner. The
162.12 commissioner and the state building official shall seek advice on the grading, monitoring,
162.13 and updating of examinations from the Minnesota Manufactured Housing Association;

162.14 (3) a local government unit may not place a surcharge on a license fee, and may not
162.15 charge a separate fee to installers;

162.16 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
162.17 from licensure under sections 326B.802 to 326B.885;

162.18 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
162.19 and

162.20 (6) manufactured home installers are not subject to the contractor recovery fund in
162.21 section 326B.89.

162.22 (b) The commissioner may waive all or part of the requirements for licensure as a
162.23 manufactured home installer for any individual who holds an unexpired license or certificate
162.24 issued by any other state or other United States jurisdiction if the licensing requirements of
162.25 that jurisdiction meet or exceed the corresponding licensing requirements of the department
162.26 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
162.27 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
162.28 ~~installer is a business license.~~

162.29 Sec. 30. Minnesota Statutes 2018, section 327C.095, subdivision 6, is amended to read:

162.30 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
162.31 an agreement to purchase a manufactured home park, the purchaser must notify the park
162.32 owner, in writing, if the purchaser intends to close the manufactured home park or convert

163.1 it to another use within one year of the execution of the agreement. The park owner shall
163.2 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
163.3 intent to close the park or convert it to another use. The notice must state that the park owner
163.4 will provide information on the cash price and the terms and conditions of the purchaser's
163.5 offer to residents requesting the information. The notice must be sent by first class mail to
163.6 a resident of each manufactured home in the park. The notice period begins on the postmark
163.7 date affixed to the notice and ends 45 days after it begins. During the notice period required
163.8 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
163.9 or a nonprofit organization which has the written permission of the owners of at least 51
163.10 percent of the manufactured homes in the park to represent them in the acquisition of the
163.11 park shall have the right to meet the cash price and execute an agreement to purchase the
163.12 park for the purposes of keeping the park as a manufactured housing community, provided
163.13 that the owners or nonprofit organization will covenant and warrant to the park owner in
163.14 the agreement that they will continue to operate the park for not less than six years from
163.15 the date of closing. Said covenant must be in writing and recorded with the office of the
163.16 county recorder or registrar of titles to remain in effect. The park owner must accept the
163.17 offer if it meets the cash price and the same terms and conditions set forth in the purchaser's
163.18 offer except that the seller is not obligated to provide owner financing. For purposes of this
163.19 section, cash price means the cash price offer or equivalent cash offer as defined in section
163.20 500.245, subdivision 1, paragraph (d).

163.21 Sec. 31. Minnesota Statutes 2018, section 327C.095, is amended by adding a subdivision
163.22 to read:

163.23 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
163.24 or, if applicable, local units of government that have entered into a delegation of authority
163.25 agreement with the Department of Health as provided in section 145A.07 shall provide, by
163.26 March 31 of each year, a list of names and addresses of the manufactured home parks
163.27 licensed in the previous year, and for each manufactured home park, the current licensed
163.28 owner, the owner's address, the number of licensed manufactured home lots, and other data
163.29 as they may request for the Department of Management and Budget to invoice each licensed
163.30 manufactured home park in Minnesota.

163.31 Sec. 32. Minnesota Statutes 2018, section 337.10, subdivision 4, is amended to read:

163.32 Subd. 4. **Progress payments and retainages.** (a) Unless the building and construction
163.33 contract provides otherwise, the owner or other persons making payments under the contract
163.34 must make progress payments monthly as the work progresses. Payments shall be based

164.1 upon estimates of work completed as approved by the owner or the owner's agent. A progress
164.2 payment shall not be considered acceptance or approval of any work or waiver of any defects
164.3 therein.

164.4 (b) Retainage on a building and construction contract may not exceed five percent. An
164.5 owner or owner's agent may reduce the amount of retainage and may eliminate retainage
164.6 on any monthly contract payment if, in the owner's opinion, the work is progressing
164.7 satisfactorily. Nothing in this subdivision is intended to require that retainage be withheld
164.8 in any building or construction contract. For all construction contracts greater than
164.9 \$5,000,000, the owner or the owner's agent must reduce retainage to no more than 2.5
164.10 percent if the owner or the owner's agent determines the work is 75 percent or more complete,
164.11 that work is progressing satisfactorily, and all contract requirements are being met.

164.12 (c) The owner or the owner's agent must release any remaining retainage no later than
164.13 60 days after substantial completion. For purposes of this subdivision, "substantial
164.14 completion" shall be determined as provided in section 541.051, subdivision 1, paragraph
164.15 (a).

164.16 ~~(e)~~ (d) Any contractor holding retainage must reduce that retainage at the same rate
164.17 reduced by the owner or the owner's agent. A contractor must pay out any remaining retainage
164.18 no later than ten days after receiving payment of retainage, unless there is a dispute about
164.19 the work under a subcontract, in which case the contractor must pay out retainage to any
164.20 party whose work is not involved in the dispute. Nothing in this subdivision is intended to
164.21 require that retainage be withheld in any building or construction contract.

164.22 (e) After substantial completion, an owner or owner's agent may withhold no more than:
164.23 (1) 250 percent of the value of incomplete or defective work; and
164.24 (2) one percent of the value of the contract or \$500, whichever is greater, pending
164.25 completion and submission of all final paperwork by the contractor, provided that an amount
164.26 withheld under this clause may not exceed \$10,000.

164.27 If the owner or the owner's agent withholds payment under this paragraph, the owner or the
164.28 owner's agent must promptly provide a written statement detailing the amount and basis of
164.29 withholding to the contractor. The owner or the owner's agent and the contractor must
164.30 provide a copy of this statement to any subcontractor that requests it. Any amounts withheld
164.31 for incomplete or defective work shall be paid within 45 days after the completion of the
164.32 work. Any amounts withheld under clause (1) must be paid within 45 days after completion
164.33 of the work. Any amounts withheld under clause (2) must be paid within 45 days after
164.34 submission of all final paperwork.

165.1 (f) The maximum retainage percentage allowed for a building and construction contract
165.2 is the retainage percentage withheld by the owner from the contractor.

165.3 (g) Withholding retainage for warranties or warranty work is prohibited.

165.4 (h) Retainage must not be used as collateral for the owner, owner's agent, or contractor.

165.5 (i) This subdivision does not apply to a public agency as defined in section 15.71,
165.6 subdivision 3.

165.7 (j) This subdivision does not apply to contracts for professional services as defined in
165.8 sections 326.02 to 326.15.

165.9 **EFFECTIVE DATE.** This section applies to agreements entered into on or after August
165.10 1, 2019.

165.11 Sec. 33. Minnesota Statutes 2018, section 341.30, subdivision 1, is amended to read:

165.12 Subdivision 1. **Licensure; individuals.** All referees, judges, promoters, trainers, ~~ring~~
165.13 ~~announcers~~, timekeepers, ringside physicians, combatants, ~~managers~~, and seconds are
165.14 required to be licensed by the commissioner. The commissioner shall not permit any of
165.15 these persons to participate in any matter with any combative sport contest unless the
165.16 commissioner has first issued the person a license.

165.17 Sec. 34. Minnesota Statutes 2018, section 341.32, subdivision 1, is amended to read:

165.18 Subdivision 1. **Annual licensure.** The commissioner may establish and issue annual
165.19 licenses subject to the collection of advance fees by the commissioner for promoters,
165.20 ~~managers~~, judges, referees, ~~ring announcers~~, ringside physicians, timekeepers, combatants,
165.21 trainers, and seconds.

165.22 Sec. 35. Minnesota Statutes 2018, section 341.321, is amended to read:

165.23 **341.321 FEE SCHEDULE.**

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

165.26 (1) referees, ~~\$80~~ \$25;

165.27 (2) promoters, \$700;

165.28 (3) judges and knockdown judges, ~~\$80~~ \$25;

165.29 (4) trainers and seconds, \$80;

166.1 ~~(5) ring announcers, \$80;~~

166.2 ~~(6) (5) timekeepers, \$80~~ \$25;

166.3 ~~(7) (6) professional combatants, \$70;~~

166.4 ~~(8) (7) amateur combatants, \$50;~~

166.5 ~~(9) managers, \$80;~~ and

166.6 ~~(10) (8) ringside physicians, \$80~~ \$25.

166.7 License fees for promoters are due at least six weeks prior to the combative sport contest.

166.8 All other license fees shall be paid no later than the weigh-in prior to the contest. No license
166.9 may be issued until all prelicensure requirements are satisfied and fees are paid.

166.10 (b) The commissioner shall establish a contest fee for each combative sport contest and
166.11 shall consider the size and type of venue when establishing a contest fee. The combative
166.12 sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales,
166.13 whichever is greater, as determined by the commissioner when the combative sport contest
166.14 is scheduled.

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

166.17 (1) \$500 at the time the combative sport contest is scheduled; and

166.18 (2) \$1,000 at the weigh-in prior to the contest.

166.19 If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the
166.20 commissioner within seven days of the completed contest.

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

166.23 (e) All fees and penalties collected by the commissioner must be deposited in the
166.24 commissioner account in the special revenue fund.

166.25 **Sec. 36. ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
166.26 **RELOCATION TRUST FUND.**

166.27 (a) The Housing Finance Agency or Department of Management and Budget as
166.28 determined by the commissioner of management and budget, is authorized to advance up
166.29 to \$400,000 from state appropriations or other resources to the Minnesota manufactured
166.30 home relocation trust fund established under Minnesota Statutes, section 462A.35, if the

167.1 account balance in the Minnesota manufactured home relocation trust fund is insufficient
167.2 to pay the amounts claimed under Minnesota Statutes, section 327C.095, subdivision 13.

167.3 (b) The Housing Finance Agency or Department of Management and Budget shall be
167.4 reimbursed from the Minnesota manufactured home relocation trust fund for any money
167.5 advanced by the agency under paragraph (a) to the fund. Approved claims for payment to
167.6 manufactured home owners shall be paid prior to the money being advanced by the agency
167.7 or the department to the fund.

167.8 Sec. 37. **REPEALER.**

167.9 Minnesota Statutes 2018, section 325F.75, is repealed.

167.10 **ARTICLE 9**
167.11 **COMMERCE POLICY**

167.12 Section 1. **[16C.57] CONTRACTS FOR INTERNET SERVICE; ADHERENCE TO**
167.13 **NET NEUTRALITY.**

167.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
167.15 the meanings given in this subdivision.

167.16 (b) "Broadband Internet access service" means:

167.17 (1) a mass-market retail service by wire or radio that provides the capability, including
167.18 any capability that is incidental to and enables the operation of the communications service,
167.19 to transmit data to and receive data from all or substantially all Internet endpoints;

167.20 (2) any service that provides a functional equivalent of the service described in clause
167.21 (1); or

167.22 (3) any service that is used to evade the protections set forth in this section.

167.23 "Broadband Internet access service" includes service that serves end users at fixed endpoints
167.24 using stationary equipment or end users using mobile stations but does not include dial-up
167.25 Internet access service.

167.26 (c) "Edge provider" means any person or entity that provides (1) any content, application,
167.27 or service over the Internet, or (2) a device used to access any content, application, or service
167.28 over the Internet. Edge provider does not include a person or entity providing obscene
167.29 material, as defined by section 617.241.

167.30 (d) "Internet service provider" means a business that provides broadband Internet access
167.31 service to a customer in Minnesota.

168.1 (e) "Paid prioritization" means the management of an Internet service provider's network
168.2 to directly or indirectly favor some traffic over other traffic (1) in exchange for monetary
168.3 or other consideration from a third party, or (2) to benefit an affiliated entity.

168.4 Subd. 2. **Purchasing or funding broadband Internet access services; prohibitions.** A
168.5 state agency or political subdivision is prohibited from entering into a contract or providing
168.6 funding to purchase broadband Internet access service after August 1, 2019, that does not
168.7 contain:

168.8 (1) a binding agreement in which the Internet service provider certifies to the
168.9 commissioner of commerce that the Internet service provider does not engage in any of the
168.10 following activities with respect to any of its Minnesota customers:

168.11 (i) block lawful content, applications, services, or nonharmful devices, subject to
168.12 reasonable network management;

168.13 (ii) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
168.14 application, or service, or use of a nonharmful device, subject to reasonable network
168.15 management;

168.16 (iii) engage in paid prioritization;

168.17 (iv) unreasonably interfere with or unreasonably disadvantage:

168.18 (A) a customer's ability to select, access, and use broadband Internet service or lawful
168.19 Internet content, applications, services, or devices of the customer's choice; or

168.20 (B) an edge provider's ability to provide lawful Internet content, applications, services,
168.21 or devices to a customer, except that an Internet service provider may block content if the
168.22 edge provider charges or intends to charge a fee to the Internet service provider for the
168.23 content; or

168.24 (v) engage in deceptive or misleading marketing practices that misrepresent the treatment
168.25 of Internet traffic or content; and

168.26 (2) provisions requiring the state agency or political subdivision, upon determining the
168.27 Internet service provider has violated the binding agreement under clause (1), to unilaterally
168.28 terminate the contract for broadband Internet access service and require the Internet service
168.29 provider to remunerate the state agency or political subdivision for all revenues earned
168.30 under the contract during the period when the violation occurred.

168.31 Subd. 3. **Other laws.** Nothing in this section (1) supersedes any obligation or
168.32 authorization an Internet service provider may have consistent with or as permitted by

169.1 applicable law to address the needs of emergency communications or law enforcement,
169.2 public safety, or national security authorities, or (2) limits the provider's ability to meet the
169.3 needs under clause (1).

169.4 Subd. 4. **Exception.** This section does not apply to a state agency or political subdivision
169.5 that purchases or funds fixed broadband Internet access services in a geographic location
169.6 where broadband Internet access services are only available from a single Internet service
169.7 provider or who is a recipient of grant funding under section 116J.395.

169.8 Subd. 5. **Enforcement.** A violation of the certification provided under subdivision 2
169.9 must be enforced by the commissioner of commerce. An Internet service provider who
169.10 materially or repeatedly violates this section is subject to a fine of not more than \$1,000 for
169.11 each violation. A fine authorized by this section may be imposed by the commissioner,
169.12 through a civil action brought by the commissioner under section 45.027, or by the attorney
169.13 general under section 8.31 on behalf of the state of Minnesota. Fines collected under this
169.14 subdivision must be deposited into the state treasury.

169.15 Sec. 2. Minnesota Statutes 2018, section 47.59, subdivision 2, is amended to read:

169.16 Subd. 2. **Application.** Extensions of credit or purchases of extensions of credit by
169.17 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, ~~47.60~~, 48.153,
169.18 48.185, 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061
169.19 to 334.19 may, but need not, be made according to those sections in lieu of the authority
169.20 set forth in this section to the extent those sections authorize the financial institution to make
169.21 extensions of credit or purchase extensions of credit under those sections. If a financial
169.22 institution elects to make an extension of credit or to purchase an extension of credit under
169.23 those other sections, the extension of credit or the purchase of an extension of credit is
169.24 subject to those sections and not this section, except this subdivision, and except as expressly
169.25 provided in those sections. A financial institution may also charge an organization a rate of
169.26 interest and any charges agreed to by the organization and may calculate and collect finance
169.27 and other charges in any manner agreed to by that organization. Except for extensions of
169.28 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,
169.29 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made
169.30 according to this section or the sections listed in this subdivision. This subdivision does not
169.31 authorize a financial institution to extend credit or purchase an extension of credit under
169.32 any of the sections listed in this subdivision if the financial institution is not authorized to
169.33 do so under those sections. A financial institution extending credit under any of the sections

170.1 listed in this subdivision shall specify in the promissory note, contract, or other loan document
170.2 the section under which the extension of credit is made.

170.3 Sec. 3. Minnesota Statutes 2018, section 47.60, subdivision 2, is amended to read:

170.4 Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) ~~In lieu of the interest,~~
170.5 ~~finance charges, or fees in any other law,~~ A consumer small loan lender may charge the
170.6 ~~following:~~ interest, finance charges, and fees which, when combined, cannot exceed an
170.7 annual percentage rate, as defined in section 47.59, subdivision 1, paragraph (b), of 36
170.8 percent.

170.9 ~~(1) on any amount up to and including \$50, a charge of \$5.50 may be added;~~

170.10 ~~(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal~~
170.11 ~~to ten percent of the loan proceeds plus a \$5 administrative fee;~~

170.12 ~~(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal~~
170.13 ~~to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;~~

170.14 ~~(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1,~~
170.15 ~~paragraph (a), a charge may be added equal to six percent of the loan proceeds with a~~
170.16 ~~minimum of \$17.50 plus a \$5 administrative fee.~~

170.17 (b) The term of a loan made under this section shall be for no more than 30 calendar
170.18 days.

170.19 (c) After maturity, the contract rate must not exceed 2.75 percent per month of the
170.20 remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly
170.21 rate in the contract for each calendar day the balance is outstanding.

170.22 (d) No insurance charges or other charges must be permitted to be charged, collected,
170.23 or imposed on a consumer small loan except as authorized in this section.

170.24 (e) On a loan transaction in which cash is advanced in exchange for a personal check,
170.25 a return check charge may be charged as authorized by section 604.113, subdivision 2,
170.26 paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph
170.27 (b), may not be demanded or assessed against the borrower.

170.28 (f) A loan made under this section must not be repaid by the proceeds of another loan
170.29 made under this section by the same lender or related interest. The proceeds from a loan
170.30 made under this section must not be applied to another loan from the same lender or related
170.31 interest. No loan to a single borrower made pursuant to this section shall be split or divided
170.32 and no single borrower shall have outstanding more than one loan with the result of collecting

171.1 a higher charge than permitted by this section or in an aggregate amount of principal exceed
171.2 at any one time the maximum of \$350.

171.3 Sec. 4. Minnesota Statutes 2018, section 47.601, subdivision 2, is amended to read:

171.4 Subd. 2. **Consumer short-term loan contract.** (a) No contract or agreement between
171.5 a consumer short-term loan lender and a borrower residing in Minnesota may contain the
171.6 following:

171.7 (1) a provision selecting a law other than Minnesota law under which the contract is
171.8 construed or enforced;

171.9 (2) a provision choosing a forum for dispute resolution other than the state of Minnesota;
171.10 or

171.11 (3) a provision limiting class actions against a consumer short-term lender for violations
171.12 of subdivision 3 or for making consumer short-term loans:

171.13 (i) without a required license issued by the commissioner; or

171.14 (ii) in which interest rates, fees, charges, or loan amounts exceed those allowable under
171.15 section ~~47.59, subdivision 6, or 47.60, subdivision 2, other than by de minimis amounts if~~
171.16 ~~no pattern or practice exists.~~

171.17 (b) Any provision prohibited by paragraph (a) is void and unenforceable.

171.18 (c) A consumer short-term loan lender must furnish a copy of the written loan contract
171.19 to each borrower. The contract and disclosures must be written in the language in which
171.20 the loan was negotiated with the borrower and must contain:

171.21 (1) the name; address, which may not be a post office box; and telephone number of the
171.22 lender making the consumer short-term loan;

171.23 (2) the name and title of the individual employee or representative who signs the contract
171.24 on behalf of the lender;

171.25 (3) an itemization of the fees and interest charges to be paid by the borrower;

171.26 (4) in bold, 24-point type, the annual percentage rate as computed under United States
171.27 Code, chapter 15, section 1606; and

171.28 (5) a description of the borrower's payment obligations under the loan.

171.29 (d) The holder or assignee of a check or other instrument evidencing an obligation of a
171.30 borrower in connection with a consumer short-term loan takes the instrument subject to all
171.31 claims by and defenses of the borrower against the consumer short-term lender.

172.1 Sec. 5. Minnesota Statutes 2018, section 47.601, subdivision 6, is amended to read:

172.2 Subd. 6. **Penalties for violation; private right of action.** (a) Except for a "bona fide
172.3 error" as set forth under United States Code, chapter 15, section 1640, subsection (c), an
172.4 individual or entity who violates subdivision 2 or 3 is liable to the borrower for:

172.5 (1) all money collected or received in connection with the loan;

172.6 (2) actual, incidental, and consequential damages;

172.7 (3) statutory damages of up to \$1,000 per violation;

172.8 (4) costs, disbursements, and reasonable attorney fees; and

172.9 (5) injunctive relief.

172.10 (b) In addition to the remedies provided in paragraph (a), a loan is void, and the borrower
172.11 is not obligated to pay any amounts owing if the loan is made:

172.12 (1) by a consumer short-term lender who has not obtained an applicable license from
172.13 the commissioner;

172.14 (2) in violation of any provision of subdivision 2 or 3; or

172.15 (3) in which interest, fees, charges, or loan amounts exceed the interest, fees, charges,
172.16 or loan amounts allowable under ~~sections 47.59, subdivision 6, and section~~ section 47.60, subdivision
172.17 2.

172.18 Sec. 6. Minnesota Statutes 2018, section 53.04, subdivision 3a, is amended to read:

172.19 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
172.20 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
172.21 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
172.22 a loan under this chapter secured by a lien on real estate shall comply with the requirements
172.23 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
172.24 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
172.25 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
172.26 subdivision 1, paragraph (d), must comply with section 47.601.

172.27 (b) Loans made under this subdivision may be secured by real or personal property, or
172.28 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
172.29 are used to finance the purchase of the borrower's primary residence, the loan must comply
172.30 with the provisions of section 47.20.

173.1 (c) An agency or instrumentality of the United States government or a corporation
173.2 otherwise created by an act of the United States Congress or a lender approved or certified
173.3 by the secretary of housing and urban development, or approved or certified by the
173.4 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
173.5 Home Administration, or approved or certified by the Federal Home Loan Mortgage
173.6 Corporation, or approved or certified by the Federal National Mortgage Association, that
173.7 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
173.8 direct collection of payments from or enforcement of rights against borrowers arising from
173.9 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
173.10 order to purchase or take assignments of mortgage loans from persons holding a certificate
173.11 of authorization under this chapter.

173.12 (d) This subdivision does not authorize an industrial loan and thrift company to make
173.13 loans under an overdraft checking plan.

173.14 Sec. 7. Minnesota Statutes 2018, section 56.131, subdivision 1, is amended to read:

173.15 Subdivision 1. **Interest rates and charges.** (a) On any loan in a principal amount not
173.16 exceeding \$100,000 or 15 percent of a Minnesota corporate licensee's capital stock and
173.17 surplus as defined in section 53.015, if greater, a licensee may contract for and receive
173.18 interest, finance charges, and other charges as provided in section 47.59.

173.19 (b) Notwithstanding paragraph (a), a licensee making a loan that is a consumer small
173.20 loan, as defined in section 47.60, subdivision 1, paragraph (a), must comply with section
173.21 47.60. A licensee making a loan that is a consumer short-term loan, as defined in section
173.22 47.601, subdivision 1, paragraph (d), must comply with section 47.601.

173.23 ~~(b)~~ (c) With respect to a loan secured by an interest in real estate, and having a maturity
173.24 of more than 60 months, the original schedule of installment payments must fully amortize
173.25 the principal and interest on the loan. The original schedule of installment payments for any
173.26 other loan secured by an interest in real estate must provide for payment amounts that are
173.27 sufficient to pay all interest scheduled to be due on the loan.

173.28 ~~(e)~~ (d) A licensee may contract for and collect a delinquency charge as provided for in
173.29 section 47.59, subdivision 6, paragraph (a), clause (4).

173.30 ~~(d)~~ (e) A licensee may grant extensions, deferments, or conversions to interest-bearing
173.31 as provided in section 47.59, subdivision 5.

174.1 Sec. 8. **[58B.01] DEFINITIONS.**

174.2 Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the
174.3 meanings given them.

174.4 Subd. 2. **Borrower.** "Borrower" means a resident of this state who has received or agreed
174.5 to pay a student loan, or a person who shares responsibility with a resident for repaying a
174.6 student loan.

174.7 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

174.8 Subd. 4. **Financial institution.** "Financial institution" means any of the following
174.9 organized under the laws of this state, any other state, or the United States: a bank, bank
174.10 and trust, trust company with banking powers, savings bank, savings association, or credit
174.11 union.

174.12 Subd. 5. **Person in control.** "Person in control" means any member of senior
174.13 management, including owners or officers, and other persons who directly or indirectly
174.14 possess the power to direct or cause the direction of the management policies of an applicant
174.15 or student loan servicer under this chapter, regardless of whether the person has any
174.16 ownership interest in the applicant or student loan servicer. Control is presumed to exist if
174.17 a person directly or indirectly owns, controls, or holds with power to vote ten percent or
174.18 more of the voting stock of an applicant or student loan servicer or of a person who owns,
174.19 controls, or holds with power to vote ten percent or more of the voting stock of an applicant
174.20 or student loan servicer.

174.21 Subd. 6. **Servicing.** "Servicing" means:

174.22 (1) receiving any scheduled periodic payments from a borrower or notification of
174.23 payments, and applying payments to the borrower's account pursuant to the terms of the
174.24 student loan or of the contract governing servicing of a student loan;

174.25 (2) during a period when no payment is required on a student loan, maintaining account
174.26 records for the loan and communicating with the borrower regarding the loan on behalf of
174.27 the loan's holder; and

174.28 (3) interacting with a borrower, including activities to help prevent default on obligations
174.29 arising from student loans, to facilitate the requirements in clauses (1) and (2).

174.30 Subd. 7. **Student loan.** "Student loan" means a government, commercial, or foundation
174.31 loan for actual costs paid for tuition and reasonable education and living expenses.

175.1 Subd. 8. **Student loan servicer.** "Student loan servicer" means any person, wherever
175.2 located, responsible for servicing any student loan to any borrower. Student loan servicer
175.3 includes a nonbank covered person, as defined in Code of Federal Regulations, title 12,
175.4 section 1090.101, who is responsible for servicing any student loan to any borrower.

175.5 **EFFECTIVE DATE.** This section is effective July 1, 2019.

175.6 Sec. 9. **[58B.02] STUDENT LOAN ADVOCATE.**

175.7 Subdivision 1. **Designation of a student loan advocate.** The commissioner must
175.8 designate a student loan advocate within the Department of Commerce to provide timely
175.9 assistance to any borrower.

175.10 Subd. 2. **Duties.** The student loan advocate must:

175.11 (1) receive, review, and attempt to resolve complaints from borrowers, including but
175.12 not limited to attempts to resolve such complaints in collaboration with institutions of higher
175.13 education, student loan servicers, and any other participants in student loan lending;

175.14 (2) compile and analyze data on borrower complaints received under clause (1);

175.15 (3) help borrowers understand the rights and responsibilities under the terms of student
175.16 loans;

175.17 (4) provide information to the public, state agencies, legislators, and relevant stakeholders
175.18 regarding the problems and concerns of borrowers;

175.19 (5) make recommendations for resolving the problems of borrowers;

175.20 (6) analyze and monitor the development and implementation of federal, state, and local
175.21 laws, regulations, and policies relating to borrowers and recommend any changes deemed
175.22 necessary;

175.23 (7) review the complete student loan history for any borrower who has provided written
175.24 consent for a review;

175.25 (8) increase public awareness that the advocate is available to help resolve the student
175.26 loan servicing concerns of potential and actual borrowers, institutions of higher education,
175.27 student loan servicers, and any other participant in student lending; and

175.28 (9) take other actions, as necessary, to fulfill the duties of the advocate set forth in this
175.29 section.

176.1 Subd. 3. **Student loan education course.** The advocate must establish and maintain a
176.2 borrower education course. The course must include educational presentations and materials
176.3 regarding important topics in student loans, including but not limited to:

- 176.4 (1) the meaning of important terminology used in student lending;
176.5 (2) documentation requirements;
176.6 (3) monthly payment obligations;
176.7 (4) income-based repayment options;
176.8 (5) the availability of state and federal loan forgiveness programs; and
176.9 (6) disclosure requirements.

176.10 Subd. 4. **Reporting.** By January 15 of each odd-numbered year, the advocate must report
176.11 to the legislative committees with jurisdiction over commerce and higher education. The
176.12 report must describe the advocate's implementation of this section, the outcomes achieved
176.13 by the advocate in the previous two years, and recommendations to improve the regulation
176.14 of student loan servicers.

176.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

176.16 **Sec. 10. [58B.03] LICENSING OF STUDENT LOAN SERVICERS.**

176.17 Subdivision 1. **License required.** A person is prohibited from directly or indirectly
176.18 acting as a student loan servicer without first obtaining a license from the commissioner.

176.19 Subd. 2. **Exempt persons.** The following persons are exempt from the requirements of
176.20 this chapter:

- 176.21 (1) a financial institution;
176.22 (2) a person servicing student loans made with the person's own funds, if no more than
176.23 three student loans are made in any 12-month period;
176.24 (3) an agency, instrumentality, or political subdivision of this state that makes, services,
176.25 or guarantees student loans;
176.26 (4) a person acting in a fiduciary capacity, including a trustee or receiver, as a result of
176.27 a specific order issued by a court of competent jurisdiction; or
176.28 (5) a person exempted by order of the commissioner.

177.1 Subd. 3. **Application for licensure.** (a) Any person seeking to act as a student loan
177.2 servicer in Minnesota must apply for a license in a form and manner specified by the
177.3 commissioner. At a minimum, the application must include:

177.4 (1) a financial statement prepared by a certified public accountant or a public accountant;

177.5 (2) the history of criminal convictions, excluding traffic violations, for persons in control
177.6 of the applicant;

177.7 (3) any information requested by the commissioner related to the history of criminal
177.8 convictions disclosed under clause (2);

177.9 (4) a nonrefundable license fee established by the commissioner; and

177.10 (5) a nonrefundable investigation fee established by the commissioner.

177.11 (b) The commissioner may conduct a state and national criminal history records check
177.12 of the applicant and of each person in control of or employed by the applicant.

177.13 Subd. 4. **Issuance of a license.** Upon receipt of a complete application for an initial
177.14 license and the payment of fees for a license and investigation, the commissioner must
177.15 investigate the financial condition and responsibility, character, financial and business
177.16 experience, and general fitness of the applicant. The commissioner may issue a license if
177.17 the commissioner finds:

177.18 (1) the applicant's financial condition is sound;

177.19 (2) the applicant's business is conducted honestly, fairly, equitably, carefully, and
177.20 efficiently within the purposes and intent of this section;

177.21 (3) each person in control of the applicant is in all respects properly qualified and of
177.22 good character;

177.23 (4) no person has, on behalf of the applicant, knowingly made any incorrect statement
177.24 of a material fact in the application, or in any report or statement made pursuant to this
177.25 section;

177.26 (5) no person has, on behalf of the applicant, knowingly omitted from an application,
177.27 report, or statement made pursuant to this section any information required by the
177.28 commissioner;

177.29 (6) the applicant has paid the fees required under this section; and

177.30 (7) the application has met other similar requirements, as determined by the commissioner.

178.1 Subd. 5. **Notification of a change in status.** An applicant or student loan servicer must
178.2 notify the commissioner in writing of any change in the information provided in the initial
178.3 license application or the most recent renewal application for a license. The notification
178.4 must be received no later than ten business days after the date an event that results in the
178.5 information becoming inaccurate occurs.

178.6 Subd. 6. **Term of license.** Licenses issued under this chapter expire on December 31
178.7 and are renewable on January 1.

178.8 Subd. 7. **Certificate of exemption.** (a) A person is exempt from the application
178.9 procedures under subdivision 3 if the commissioner determines the person is servicing
178.10 student loans in Minnesota pursuant to a contract awarded by the United States Secretary
178.11 of Education under United States Code, title 20, section 1087f. Documentation of eligibility
178.12 for this exemption must be in a form and manner determined by the commissioner.

178.13 (b) Upon payment of the fees under subdivision 3, a person determined eligible for the
178.14 exemption under paragraph (a) must be issued a certificate of exemption and deemed to
178.15 meet all the requirements of subdivision 4.

178.16 Subd. 8. **Notice.** (a) A person issued a license under subdivision 7 must provide the
178.17 commissioner with written notice no less than seven days after the date the person's contract
178.18 under United States Code, title 20, section 1087f, expires, is revoked, or is terminated.

178.19 (b) A person issued a license under subdivision 7 has 30 days from the date the
178.20 notification under paragraph (a) is provided to complete the requirements of subdivision 3.
178.21 If a person does not meet the requirements of subdivision 3 within this time period, the
178.22 commissioner must immediately suspend the person's license under this chapter.

178.23 **EFFECTIVE DATE.** This section is effective January 1, 2020.

178.24 Sec. 11. **[58B.04] LICENSING MULTIPLE PLACES OF BUSINESS.**

178.25 (a) A person issued a certificate of exemption or licensed to act as a student loan servicer
178.26 in Minnesota is prohibited from doing so under any other name or at any other place of
178.27 business than that named in the certificate or license. Any time a student loan servicer
178.28 changes the location of the servicer's place of business, the servicer must provide prior
178.29 written notice to the commissioner. A student loan servicer must not maintain more than
178.30 one place of business under the same certificate or license. The commissioner may issue
178.31 more than one license to the same student loan servicer, provided that the servicer complies
178.32 with the application procedures in section 58B.03 for each certificate or license.

178.33 (b) A certificate or license issued under this chapter is not transferable or assignable.

179.1 **EFFECTIVE DATE.** This section is effective January 1, 2020.

179.2 Sec. 12. **[58B.05] LICENSE RENEWAL.**

179.3 Subdivision 1. **Term.** Licenses are renewable on January 1 of each year.

179.4 Subd. 2. **Timely renewal.** (a) A person whose application is properly and timely filed
179.5 who has not received notice of denial of renewal is considered approved for renewal. The
179.6 person may continue to act as a student loan servicer whether or not the renewed license
179.7 has been received on or before January 1 of the renewal year. An application to renew a
179.8 license is considered timely filed if received by the commissioner, or mailed with proper
179.9 postage and postmarked, by the December 15 before the renewal year. An application to
179.10 renew a license is considered properly filed if made upon forms duly executed, accompanied
179.11 by fees prescribed by this chapter, and containing any information that the commissioner
179.12 requires.

179.13 (b) A person who fails to make a timely application to renew a license and who has not
179.14 received the renewal license as of January 1 of the renewal year is unlicensed until the
179.15 renewal license has been issued by the commissioner and is received by the person.

179.16 Subd. 3. **Contents of renewal application.** An application to renew an existing license
179.17 must contain the information specified in section 58B.03, subdivision 3, except that only
179.18 the requested information having changed from the most recent prior application need be
179.19 submitted.

179.20 Subd. 4. **Cancellation.** A student loan servicer that ceases an activity or activities
179.21 regulated by this chapter and desires to no longer be licensed must inform the commissioner
179.22 in writing and, at the same time, surrender the license and all other symbols or indicia of
179.23 licensure. The licensee must include a plan to withdraw from student loan servicing, including
179.24 a timetable for the disposition of the student loans being serviced.

179.25 Subd. 5. **Renewal fees.** The following fees must be paid to the commissioner for a
179.26 renewal license:

179.27 (1) a nonrefundable renewal license fee established by the commissioner; and

179.28 (2) a nonrefundable renewal investigation fee established by the commissioner.

179.29 **EFFECTIVE DATE.** This section is effective January 1, 2020.

180.1 Sec. 13. **[58B.06] DUTIES OF STUDENT LOAN SERVICERS.**

180.2 **Subdivision 1. Response requirements.** Upon receiving a written communication from
180.3 a borrower, a student loan servicer must:

180.4 (1) acknowledge receipt of the communication in less than ten days from the date the
180.5 written communication was received; and

180.6 (2) provide information relating to the communication and, if applicable, the action the
180.7 student loan servicer will take to either (i) correct the borrower's issue, or (ii) explain why
180.8 the issue cannot be corrected. This information must be provided less than 30 days from
180.9 the date the written communication was received by the student loan servicer.

180.10 **Subd. 2. Overpayments.** A student loan servicer must ask a borrower in what manner
180.11 the borrower would like any overpayment on a student loan that exceeds the monthly amount
180.12 due to be applied to a student loan. A borrower's instruction regarding the application of
180.13 overpayments is effective for the term of the loan or until the borrower provides a different
180.14 instruction.

180.15 **Subd. 3. Partial payments.** A student loan servicer must apply a partial payment that
180.16 is less than the amount due on a student loan in a manner that minimizes late fees and the
180.17 negative impact on the borrower's credit history. If a borrower has multiple student loans
180.18 with the same student loan servicer, upon receipt of a partial payment the servicer must
180.19 apply the payments to satisfy as many individual loan payments as possible.

180.20 **Subd. 4. Transfer of student loan.** (a) If a borrower's student loan servicer changes
180.21 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
180.22 must:

180.23 (1) require the new student loan servicer to honor all benefits that were made available,
180.24 or which may have become available, to a borrower from the original student loan servicer;
180.25 and

180.26 (2) transfer to the new student loan servicer all information regarding the borrower, the
180.27 account of the borrower, and the borrower's student loan, including but not limited to the
180.28 repayment status of the student loan and the benefits described in clause (1).

180.29 (b) The student loan servicer must complete the transfer under clause (2) less than 45
180.30 days from the date the of the sale, assignment, or transfer of the servicing.

180.31 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven
180.32 days from the date the next payment is due on the student loan.

181.1 (d) A new student loan servicer must adopt policies and procedures to verify that the
181.2 original student loan servicer has met the requirements of paragraph (a).

181.3 Subd. 5. **Income-driven repayment.** A student loan servicer must evaluate a borrower's
181.4 eligibility for an income-driven repayment program before placing a borrower in forbearance
181.5 or default.

181.6 Subd. 6. **Records.** A student loan servicer must maintain adequate records of each student
181.7 loan for at least two years following the final payment on the student loan, or the sale,
181.8 assignment, or transfer of the servicing.

181.9 **EFFECTIVE DATE.** This section is effective July 1, 2019, and applies to student loan
181.10 contracts executed on or after that date.

181.11 Sec. 14. **[58B.07] PROHIBITED CONDUCT.**

181.12 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or
181.13 indirectly attempt to mislead a borrower.

181.14 Subd. 2. **Misrepresentation.** A student loan servicer must not (1) engage in any unfair
181.15 or deceptive practice, or (2) misrepresent or omit any material information in connection
181.16 with the servicing of a student loan, including but not limited to misrepresenting the amount,
181.17 nature, or terms of any fee or payment due or claimed to be due on a student loan, the terms
181.18 and conditions of the loan agreement, or the borrower's obligations under the loan.

181.19 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or
181.20 negligently misapply student loan payments.

181.21 Subd. 4. **Inaccurate information.** A student loan servicer must not knowingly or
181.22 negligently provide inaccurate information to any consumer reporting agency.

181.23 Subd. 5. **Reporting of payment history.** A student loan servicer must report both the
181.24 favorable and unfavorable payment history of the borrower to a consumer reporting agency
181.25 at least annually, if the student loan servicer regularly reports the information.

181.26 Subd. 6. **Refusal to communicate with a borrower's representative.** A student loan
181.27 servicer must not refuse to communicate with a representative of the borrower who provides
181.28 a written authorization signed by the borrower. The student loan servicer may adopt
181.29 procedures reasonably related to verifying that the representative is in fact authorized to act
181.30 on behalf of the borrower.

181.31 Subd. 7. **False statements and omissions.** A student loan servicer must not knowingly
181.32 or negligently make any false statement or omission of material fact in connection with any

182.1 application, information, or reports filed with the commissioner or any other federal, state,
182.2 or local government agency.

182.3 Subd. 8. **Noncompliance with applicable laws.** A student loan servicer must not violate
182.4 any other federal, state, or local laws, including those related to fraudulent, coercive, or
182.5 dishonest practices.

182.6 Subd. 9. **Failure to respond to advocate.** (a) A student loan servicer must respond in
182.7 less than 15 days from the date the student loan servicer receives a communication from
182.8 the student loan advocate. This response period may be reasonably shortened by the advocate
182.9 in their communication.

182.10 (b) A student loan servicer must provide a response in less than 15 days from the date
182.11 the student loan servicer receives a consumer complaint submitted to the servicer by the
182.12 student loan advocate. A student loan servicer may request from the advocate an extension
182.13 of up to 45 days from receipt of the consumer complaint, if the request is accompanied by
182.14 an explanation of why additional time is reasonable and necessary.

182.15 **EFFECTIVE DATE.** This section is effective July 1, 2019.

182.16 Sec. 15. **[58B.08] EXAMINATIONS.**

182.17 For the purposes of this chapter, the commissioner has the same powers with respect to
182.18 examinations of student loan servicers that the commissioner has under section 46.04.

182.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

182.20 Sec. 16. **[58B.09] DENIAL, SUSPENSION, REVOCATION OF CERTIFICATES**
182.21 **OF EXEMPTION AND LICENSES.**

182.22 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order take any
182.23 or all of the following actions:

182.24 (1) bar a person from engaging in student loan servicing;

182.25 (2) deny, suspend, or revoke a certificate of exemption or student loan servicer license;

182.26 (3) censure a student loan servicer;

182.27 (4) impose a civil penalty as provided in section 45.027, subdivision 6; or

182.28 (5) revoke a certificate of exemption.

182.29 (b) In order to take the action in paragraph (a), the commissioner must find:

182.30 (1) the order is in the public interest; and

- 183.1 (2) the student loan servicer, applicant, person in control, employee, or agent has:
- 183.2 (i) violated any provision of this chapter, or any rule or order under this chapter;
- 183.3 (ii) violated any applicable provision of federal law or regulation related to student loan
- 183.4 servicing, including but not limited to the federal Truth in Lending Act, United States Code,
- 183.5 title 15, sections 1601 to 1667(f);
- 183.6 (iii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or
- 183.7 dishonest act or practice, including but not limited to negligently making a false statement
- 183.8 or knowingly omitting a material fact, whether or not the act or practice involves student
- 183.9 loan servicing;
- 183.10 (iv) engaged in an act or practice that demonstrates untrustworthiness, financial
- 183.11 irresponsibility, or incompetence, whether or not the act or practice involves student loan
- 183.12 servicing;
- 183.13 (v) pled guilty or nolo contendere to or been convicted of a felony, gross misdemeanor,
- 183.14 or misdemeanor;
- 183.15 (vi) paid a civil penalty or been the subject of disciplinary action by the commissioner,
- 183.16 an order of suspension or revocation, cease and desist order, injunction order, or order
- 183.17 barring involvement in an industry or profession issued by the commissioner or any other
- 183.18 federal, state, or local government agency;
- 183.19 (vii) been found by a court of competent jurisdiction to have engaged in conduct
- 183.20 evidencing gross negligence, fraud, misrepresentation, or deceit;
- 183.21 (viii) refused to cooperate with an investigation or examination by the commissioner;
- 183.22 (ix) failed to pay any fee or assessment imposed by the commissioner; or
- 183.23 (x) failed to comply with state and federal tax obligations.
- 183.24 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the
- 183.25 commissioner must issue an order requiring the subject of the proceeding to show cause
- 183.26 why action should not be taken against the person under this section. The order must be
- 183.27 calculated to give reasonable notice of the time and place for the hearing and must state the
- 183.28 reasons for entry of the order. The commissioner may by order summarily suspend a license
- 183.29 or certificate of exemption, or summarily bar a person from engaging in student loan
- 183.30 servicing, pending a final determination of an order to show cause. If a license or certificate
- 183.31 of exemption is summarily suspended or if the person is summarily barred from any
- 183.32 involvement in the servicing of student loans, pending final determination of an order to

184.1 show cause, a hearing on the merits must be held within 30 days of the issuance of the order
184.2 of summary suspension or bar. All hearings must be conducted under chapter 14. After the
184.3 hearing, the commissioner must enter an order disposing of the matter as the facts require.
184.4 If the subject of the order fails to appear at a hearing after having been duly notified, the
184.5 person is considered in default and the proceeding may be determined against the subject
184.6 of the order upon consideration of the order to show cause, the allegations of which may
184.7 be considered to be true.

184.8 Subd. 3. **Actions against lapsed license.** If a license or certificate of exemption lapses,
184.9 or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner
184.10 may institute a proceeding under this subdivision within two years after the license or
184.11 certificate of exemption was last effective and enter a revocation or suspension order as of
184.12 the last date the license or certificate of exemption was in effect, and may impose a civil
184.13 penalty as provided under this section or section 45.027, subdivision 6.

184.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

184.15 Sec. 17. **[325F.6945] INTERNET SERVICE PROVIDERS; PROHIBITED ACTIONS.**

184.16 Subdivision 1. **Definitions.** The definitions in section 16C.57 apply to this section.

184.17 Subd. 2. **Prohibited actions.** An Internet service provider is prohibited from engaging
184.18 in any of the following activities with respect to any of its Minnesota customers:

184.19 (1) block lawful content, applications, services, or nonharmful devices, subject to
184.20 reasonable network management;

184.21 (2) impair, impede, or degrade lawful Internet traffic on the basis of Internet content,
184.22 application, or service, or use of a nonharmful device, subject to reasonable network
184.23 management;

184.24 (3) engage in paid prioritization;

184.25 (4) unreasonably interfere with or unreasonably disadvantage:

184.26 (i) a customer's ability to select, access, and use broadband Internet service or lawful
184.27 Internet content, applications, services, or devices of the customer's choice; or

184.28 (ii) an edge provider's ability to provide lawful Internet content, applications, services,
184.29 or devices to a customer; or

184.30 (5) engage in deceptive or misleading marketing practices that misrepresent the treatment
184.31 of Internet traffic or content.

185.1 Subd. 3. **Certification required.** Prior to offering service to a customer in Minnesota,
 185.2 or prior to August 1, 2019, for Internet service providers already offering services to
 185.3 customers in Minnesota, an Internet service provider must file a document with the
 185.4 commissioner of commerce certifying that it does not engage in any of the activities
 185.5 prohibited under subdivision 2. The filing required by this subdivision must be provided
 185.6 prior to offering services for the first time in Minnesota, at any time after a company or
 185.7 entity has changed ownership or merged with another entity, or prior to offering services
 185.8 in Minnesota after the company has suspended service for more than 30 days. An Internet
 185.9 service provider is not otherwise required to make filings on an annual basis.

185.10 Subd. 4. **Other laws.** Nothing in this section (1) supersedes any obligation or
 185.11 authorization an Internet service provider may have consistent with or as permitted by
 185.12 applicable law to address the needs of emergency communications or law enforcement,
 185.13 public safety, or national security authorities, or (2) limits the provider's ability to meet the
 185.14 needs under clause (1).

185.15 Subd. 5. **Enforcement.** (a) A violation of subdivision 2 may be enforced by the
 185.16 commissioner of commerce under section 45.027 and by the attorney general under section
 185.17 8.31. The venue for enforcement proceedings is Ramsey County.

185.18 (b) A violation of the certification provided under subdivision 3 must be enforced under
 185.19 section 609.48. The venue for enforcement proceedings is Ramsey County.

185.20 **ARTICLE 10**

185.21 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; POLICY**

185.22 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 12, is amended to read:

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

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

185.26 ~~(i)~~ (1) 50 percent or more of the employment during the quarter is performed primarily
 185.27 in Minnesota;

185.28 ~~(ii)~~ (2) 50 percent or more of the employment during the quarter is not performed
 185.29 primarily in Minnesota or any other state, or Canada, but some of the employment is
 185.30 performed in Minnesota and the base of operations or the place from which the employment
 185.31 is directed or controlled is in Minnesota; or

186.1 ~~(iii) the employment during the quarter is not performed primarily in Minnesota or any~~
186.2 ~~other state and the base of operations or place from which the employment is directed or~~
186.3 ~~controlled is not in any state where part of the employment is performed, but the employee's~~
186.4 residence is in Minnesota during 50 percent or more of the calendar quarter;

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

186.7 ~~(i) the employment is not covered employment under the unemployment insurance~~
186.8 ~~program of any other state, federal law, or the law of Canada; and~~

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

186.10 (3) the employment during the ~~calendar~~ quarter, is performed entirely outside the United
186.11 States and Canada, by an employee who is a United States citizen in the employ of an
186.12 American employer, if the employer's principal place of business in the United States is
186.13 located in Minnesota. For the purposes of this clause, an "American employer," ~~for the~~
186.14 ~~purposes of this clause, means a corporation organized under the laws of any state, an~~
186.15 ~~individual who is a resident of the United States, or a partnership if two-thirds or more of~~
186.16 ~~the partners are residents of the United States, or a trust, if all of the trustees are residents~~
186.17 ~~of the United States~~ is defined under the Federal Unemployment Tax Act, United States
186.18 Code title 26, chapter 23, section 3306, subsection (j)(3); and or

186.19 (4) ~~all~~ the employment during the ~~calendar~~ quarter is performed by an officer or member
186.20 of the crew of an American vessel ~~on or in connection with the vessel, if the operating on~~
186.21 navigable waters within, or within and without, the United States, and the office from which
186.22 the operations of the vessel ~~operating on navigable waters within, or within and without,~~
186.23 ~~the United States are ordinarily and regularly supervised, managed, directed, and controlled~~
186.24 is in Minnesota.

186.25 (b) "Covered employment" includes covered agricultural employment under subdivision
186.26 11.

186.27 (c) For the purposes of section 268.095, "covered employment" includes employment
186.28 covered under an unemployment insurance program:

186.29 (1) of any other state; ~~or~~

186.30 (2) established by an act of Congress; or

186.31 (3) the law of Canada.

187.1 (d) The percentage of employment performed under paragraph (a) is determined by the
187.2 amount of hours worked.

187.3 (e) Covered employment does not include any employment defined as "noncovered
187.4 employment" under subdivision 20.

187.5 Sec. 2. Minnesota Statutes 2018, section 268.035, subdivision 20, is amended to read:

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

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

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

187.11 (3) employment for a foreign government;

187.12 (4) employment covered under the federal Railroad Unemployment Insurance Act;

187.13 (5) employment for a church or convention or association of churches, or a nonprofit
187.14 organization operated primarily for religious purposes that is operated, supervised, controlled,
187.15 or principally supported by a church or convention or association of churches;

187.16 (6) employment for an elementary or secondary school with a curriculum that includes
187.17 religious education that is operated by a church, a convention or association of churches,
187.18 or a nonprofit organization that is operated, supervised, controlled, or principally supported
187.19 by a church or convention or association of churches;

187.20 (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of
187.21 a duly ordained or licensed minister of a church in the exercise of a ministry or by a member
187.22 of a religious order in the exercise of duties required by the order;

187.23 (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of
187.24 an individual receiving rehabilitation of "sheltered" work in a facility conducted for the
187.25 purpose of carrying out a program of rehabilitation for individuals whose earning capacity
187.26 is impaired by age or physical or mental deficiency or injury or a program providing
187.27 "sheltered" work for individuals who because of an impaired physical or mental capacity
187.28 cannot be readily absorbed in the competitive labor market. This clause applies only to
187.29 services performed in a facility certified by the Rehabilitation Services Branch of the
187.30 department or in a day training or habilitation program licensed by the Department of Human
187.31 Services;

188.1 (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of
188.2 an individual receiving work relief or work training as part of an unemployment work relief
188.3 or work training program financed in whole or in part by any federal agency or an agency
188.4 of a state or political subdivision thereof. This clause does not apply to programs that require
188.5 unemployment benefit coverage for the participants;

188.6 (10) employment for Minnesota or a political subdivision, as an elected official, a member
188.7 of a legislative body, or a member of the judiciary;

188.8 (11) employment as a member of the Minnesota National Guard or Air National Guard;

188.9 (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of
188.10 an individual serving on a temporary basis in case of fire, flood, tornado, or similar
188.11 emergency;

188.12 (13) employment as an election official or election worker for Minnesota or a political
188.13 subdivision, if the compensation for that employment was less than \$1,000 in a calendar
188.14 year;

188.15 (14) employment for Minnesota that is a major policy-making or advisory position in
188.16 the unclassified service;

188.17 (15) employment for Minnesota in an unclassified position established under section
188.18 43A.08, subdivision 1a;

188.19 (16) employment for a political subdivision of Minnesota that is a nontenured major
188.20 policy making or advisory position;

188.21 (17) domestic employment in a private household, local college club, or local chapter
188.22 of a college fraternity or sorority, if the wages paid in any calendar quarter in either the
188.23 current or prior calendar year to all individuals in domestic employment totaled less than
188.24 \$1,000.

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

188.28 (18) employment of an individual by a son, daughter, or spouse, and employment of a
188.29 child under the age of 18 by the child's father or mother;

188.30 (19) employment of an inmate of a custodial or penal institution;

188.31 (20) employment for a school, college, or university, by a student who is enrolled and
188.32 whose primary relation to the school, college, or university is as a student. This does not

189.1 include an individual whose primary relation to the school, college, or university is as an
189.2 employee who also takes courses;

189.3 (21) employment of an individual who is enrolled as a student in a full-time program at
189.4 a nonprofit or public educational institution that maintains a regular faculty and curriculum
189.5 and has a regularly organized body of students in attendance at the place where its educational
189.6 activities are carried on, taken for credit at the institution, that combines academic instruction
189.7 with work experience, if the employment is an integral part of the program, and the institution
189.8 has so certified to the employer, except that this clause does not apply to employment in a
189.9 program established for or on behalf of an employer or group of employers;

189.10 (22) employment of a foreign college or university student who works on a seasonal or
189.11 temporary basis under the J-1 visa summer work travel program described in Code of Federal
189.12 Regulations, title 22, section 62.32;

189.13 ~~(22)~~ (23) employment of university, college, or professional school students in an
189.14 internship or other training program with the city of St. Paul or the city of Minneapolis
189.15 under Laws 1990, chapter 570, article 6, section 3;

189.16 ~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an
189.17 institution that has been licensed by the Department of Health as a hospital;

189.18 ~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by
189.19 an individual who is enrolled and is regularly attending classes in an accredited nurses'
189.20 training school;

189.21 ~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a
189.22 four-year course in an accredited medical school;

189.23 ~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if
189.24 all the wages from the employment is solely by way of commission. The word "insurance"
189.25 includes an annuity and an optional annuity;

189.26 ~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's
189.27 mutual insurance company under chapter 67A;

189.28 ~~(28)~~ (29) employment of a corporate officer, if the officer directly or indirectly, including
189.29 through a subsidiary or holding company, owns 25 percent or more of the employer
189.30 corporation, and employment of a member of a limited liability company, if the member
189.31 directly or indirectly, including through a subsidiary or holding company, owns 25 percent
189.32 or more of the employer limited liability company;

190.1 ~~(29)~~ (30) employment as a real estate salesperson, other than a corporate officer, if all
190.2 the wages from the employment is solely by way of commission;

190.3 ~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section
190.4 3508;

190.5 ~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution
190.6 of newspapers or shopping news, not including delivery or distribution to any point for
190.7 subsequent delivery or distribution;

190.8 ~~(32)~~ (33) casual employment performed for an individual, other than domestic
190.9 employment under clause (17), that does not promote or advance that employer's trade or
190.10 business;

190.11 ~~(33)~~ (34) employment in "agricultural employment" unless it is "covered agricultural
190.12 employment" under subdivision 11; or

190.13 ~~(34)~~ (35) if employment during one-half or more of any pay period was covered
190.14 employment, all the employment for the pay period is covered employment; but if during
190.15 more than one-half of any pay period the employment was noncovered employment, then
190.16 all of the employment for the pay period is noncovered employment. "Pay period" means
190.17 a period of not more than a calendar month for which a payment or compensation is ordinarily
190.18 made to the employee by the employer.

190.19 Sec. 3. Minnesota Statutes 2018, section 268.051, subdivision 2a, is amended to read:

190.20 Subd. 2a. **Unemployment insurance tax limits reduction.** (a) If the balance in the trust
190.21 fund on December 31 of any calendar year is four percent or more above the amount equal
190.22 to an average high cost multiple of 1.0, future unemployment taxes payable must be reduced
190.23 by all amounts above 1.0. The amount of tax reduction for any taxpaying employer is the
190.24 same percentage of the total amount above 1.0 as the percentage of taxes paid by the
190.25 employer during the calendar year is of the total amount of taxes that were paid by all
190.26 ~~nonmaximum experience rated~~ employers during the year except taxes paid by employers
190.27 assigned a tax rate equal to the maximum experience rating plus the applicable base tax
190.28 rate.

190.29 (b) For purposes of this subdivision, "average high cost multiple" has the meaning given
190.30 in Code of Federal Regulations, title 20, section 606.3, as amended through December 31,
190.31 2015. An amount equal to an average high cost multiple of 1.0 is a federal measure of
190.32 adequate reserves in relation to the state's current economy. The commissioner must calculate
190.33 and publish, as soon as possible following December 31 of any calendar year, the trust fund

191.1 balance on December 31 along with the amount an average high cost multiple of 1.0 equals.
191.2 Actual wages paid must be used in the calculation and estimates may not be used.

191.3 (c) The unemployment tax reduction under this subdivision does not apply to employers
191.4 that were at assigned a tax rate equal to the maximum experience rating plus the applicable
191.5 base tax rate for the year, nor to high experience rating industry employers under subdivision
191.6 5, paragraph (b). Computations under paragraph (a) are not subject to the rounding
191.7 requirement of section 268.034. The refund provisions of section 268.057, subdivision 7,
191.8 do not apply.

191.9 (d) The unemployment tax reduction under this subdivision applies to taxes paid between
191.10 March 1 and December 15 of the year following the December 31 computation under
191.11 paragraph (a).

191.12 (e) ~~The amount equal to the average high cost multiple of 1.0 on December 31, 2012,~~
191.13 ~~must be used for the calculation under paragraph (a) but only for the calculation made on~~
191.14 ~~December 31, 2015. Notwithstanding paragraph (d), the tax reduction resulting from the~~
191.15 ~~application of this paragraph applies to unemployment taxes paid between July 1, 2016,~~
191.16 ~~and June 30, 2017. If there was an experience rating history transfer under subdivision 4,~~
191.17 ~~the successor employer must receive that portion of the predecessor employer's tax reduction~~
191.18 ~~equal to that portion of the experience rating history transferred. The predecessor employer~~
191.19 ~~retains that portion of tax reduction not transferred to the successor. This paragraph applies~~
191.20 ~~to that portion of the tax reduction that remains unused at the time of notice of acquisition~~
191.21 ~~is provided under subdivision 4, paragraph (e).~~

191.22 Sec. 4. **EFFECTIVE DATE.**

191.23 Unless otherwise specified, this article is effective October 1, 2020.

191.24 **ARTICLE 11**

191.25 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; INTEREST**

191.26 Section 1. Minnesota Statutes 2018, section 268.057, subdivision 5, is amended to read:

191.27 Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under
191.28 this chapter or section 116L.20, except late fees under section 268.044, are not received on
191.29 the date due ~~the unpaid balance bears~~ the commissioner must assess interest on any amount
191.30 that remains unpaid. Interest is assessed at the rate of one percent per month or any part of
191.31 a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision
191.32 is credited to the contingent account.

192.1 **EFFECTIVE DATE.** This section is effective October 1, 2020.

192.2 Sec. 2. Minnesota Statutes 2018, section 268.18, subdivision 2b, is amended to read:

192.3 Subd. 2b. **Interest.** On any unemployment benefits obtained by misrepresentation, and
 192.4 any penalty amounts assessed under subdivision 2, the commissioner must assess interest
 192.5 ~~at the rate of one percent per month~~ on any amount that remains unpaid beginning 30 calendar
 192.6 days after the date of a determination of overpayment penalty. Interest is assessed at the
 192.7 rate of one percent per month or any part of a month. A determination of overpayment
 192.8 penalty must state that interest will be assessed. Interest is not assessed ~~in the same manner~~
 192.9 ~~as on employer debt under section 268.057, subdivision 5~~ on unpaid interest. Interest
 192.10 ~~payments~~ collected under this subdivision ~~are~~ is credited to the trust fund.

192.11 **EFFECTIVE DATE.** This section is effective October 1, 2020.

192.12 **ARTICLE 12**

192.13 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; BASE PERIODS**

192.14 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 4, is amended to read:

192.15 Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision,
 192.16 means the most recent four completed calendar quarters before the effective date of an
 192.17 applicant's application for unemployment benefits if the application has an effective date
 192.18 occurring after the month following the most recent completed calendar quarter. The base
 192.19 period under this paragraph is as follows:

| | |
|--|--|
| 192.20 If the application for unemployment 192.21 benefits is effective on or between these 192.22 dates: 192.23 February 1 - March 31 192.24 May 1 - June 30 192.25 August 1 - September 30 192.26 November 1 - December 31 | The base period is the prior: January 1 - December 31 April 1 - March 31 July 1 - June 30 October 1 - September 30 |
|--|--|

192.27 (b) If an application for unemployment benefits has an effective date that is during the
 192.28 month following the most recent completed calendar quarter, then the base period is the
 192.29 first four of the most recent five completed calendar quarters before the effective date of
 192.30 an applicant's application for unemployment benefits. The base period under this paragraph
 192.31 is as follows:

| | | |
|-------|---|-------------------------------|
| 193.1 | If the application for unemployment | The base period is the prior: |
| 193.2 | benefits is effective on or between these | |
| 193.3 | dates: | |
| 193.4 | January 1 - January 31 | October 1 - September 30 |
| 193.5 | April 1 - April 30 | January 1 - December 31 |
| 193.6 | July 1 - July 31 | April 1 - March 31 |
| 193.7 | October 1 - October 31 | July 1 - June 30 |

193.8 (c) Regardless of paragraph (a), a base period of the first four of the most recent five
 193.9 completed calendar quarters must be used if the applicant would have more wage credits
 193.10 under that base period than under a base period of the four most recent completed calendar
 193.11 quarters.

193.12 ~~(d) If the applicant under paragraph (b) has insufficient wage credits to establish a benefit~~
 193.13 ~~account, then a base period of the most recent four completed calendar quarters before the~~
 193.14 ~~effective date of the applicant's application for unemployment benefits must be used.~~

193.15 ~~(e)~~ (d) If the applicant has insufficient wage credits to establish a benefit account under
 193.16 a base period of the four most recent completed calendar quarters, or a base period of the
 193.17 first four of the most recent five completed calendar quarters, but during either base period
 193.18 the applicant received workers' compensation for temporary disability under chapter 176
 193.19 or a similar federal law or similar law of another state, or if the applicant whose own serious
 193.20 illness caused a loss of work for which the applicant received compensation for loss of
 193.21 wages from some other source, the applicant may request a base period as follows:

193.22 (1) if an applicant was compensated for a loss of work of seven to 13 weeks; during a
 193.23 base period referred to in paragraph (a) or (b), then the base period is the first four of the
 193.24 most recent six completed calendar quarters before the effective date of the application for
 193.25 unemployment benefits;

193.26 (2) if an applicant was compensated for a loss of work of 14 to 26 weeks; during a base
 193.27 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 193.28 recent seven completed calendar quarters before the effective date of the application for
 193.29 unemployment benefits;

193.30 (3) if an applicant was compensated for a loss of work of 27 to 39 weeks; during a base
 193.31 period referred to in paragraph (a) or (b), then the base period is the first four of the most
 193.32 recent eight completed calendar quarters before the effective date of the application for
 193.33 unemployment benefits; and

193.34 (4) if an applicant was compensated for a loss of work of 40 to 52 weeks; during a base
 193.35 period referred to in paragraph (a) or (b), then the base period is the first four of the most

194.1 recent nine completed calendar quarters before the effective date of the application for
194.2 unemployment benefits.

194.3 ~~(f)~~ (e) No base period under this subdivision may include wage credits upon which a
194.4 prior benefit account was established.

194.5 Sec. 2. Minnesota Statutes 2018, section 268.07, subdivision 1, is amended to read:

194.6 Subdivision 1. **Application for unemployment benefits; determination of benefit**
194.7 **account.** (a) An application for unemployment benefits may be filed in person, by mail, or
194.8 by electronic transmission as the commissioner may require. The applicant must be
194.9 unemployed at the time the application is filed and must provide all requested information
194.10 in the manner required. If the applicant is not unemployed at the time of the application or
194.11 fails to provide all requested information, the communication is not an application for
194.12 unemployment benefits.

194.13 (b) The commissioner must examine each application for unemployment benefits to
194.14 determine the base period and the benefit year, and based upon all the covered employment
194.15 in the base period the commissioner must determine the weekly unemployment benefit
194.16 amount available, if any, and the maximum amount of unemployment benefits available,
194.17 if any. The determination, which is a document separate and distinct from a document titled
194.18 a determination of eligibility or determination of ineligibility issued under section 268.101,
194.19 must be titled determination of benefit account. A determination of benefit account must
194.20 be sent to the applicant and all base period employers, by mail or electronic transmission.

194.21 (c) If a base period employer did not provide wage detail information for the applicant
194.22 as required under section 268.044, ~~or provided erroneous information, or wage detail is not~~
194.23 ~~yet due and the applicant is using a base period under section 268.035, subdivision 4,~~
194.24 ~~paragraph (d),~~ the commissioner may accept an applicant certification of wage credits, based
194.25 upon the applicant's records, and issue a determination of benefit account.

194.26 ~~(d) An employer must provide wage detail information on an applicant within five~~
194.27 ~~calendar days of request by the commissioner, in a manner and format requested, when:~~

194.28 ~~(1) the applicant is using a base period under section 268.035, subdivision 4, paragraph~~
194.29 ~~(d); and~~

194.30 ~~(2) wage detail under section 268.044 is not yet required to have been filed by the~~
194.31 ~~employer.~~

194.32 ~~(e)~~ (d) The commissioner may, at any time within 24 months from the establishment of
194.33 a benefit account, reconsider any determination of benefit account and make an amended

195.1 determination if the commissioner finds that the wage credits listed in the determination
195.2 were incorrect for any reason. An amended determination of benefit account must be
195.3 promptly sent to the applicant and all base period employers, by mail or electronic
195.4 transmission. This subdivision does not apply to documents titled determinations of eligibility
195.5 or determinations of ineligibility issued under section 268.101.

195.6 ~~(f)~~(e) If an amended determination of benefit account reduces the weekly unemployment
195.7 benefit amount or maximum amount of unemployment benefits available, any unemployment
195.8 benefits that have been paid greater than the applicant was entitled is an overpayment of
195.9 unemployment benefits. A determination or amended determination issued under this section
195.10 that results in an overpayment of unemployment benefits must set out the amount of the
195.11 overpayment and the requirement under section 268.18, subdivision 1, that the overpaid
195.12 unemployment benefits must be repaid.

195.13 **Sec. 3. EFFECTIVE DATE.**

195.14 Unless otherwise specified, this article is effective January 1, 2020.

195.15

ARTICLE 13

195.16

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; HOUSEKEEPING

195.17 Section 1. Minnesota Statutes 2018, section 268.035, subdivision 15, is amended to read:

195.18 Subd. 15. **Employment.** (a) "Employment" means service performed by:

195.19 (1) an individual who is an employee under the common law of employer-employee and
195.20 not an independent contractor;

195.21 (2) an officer of a corporation;

195.22 (3) a member of a limited liability company who is an employee under the common law
195.23 of employer-employee; ~~or~~

195.24 (4) an individual who is an employee under the Federal Insurance Contributions Act,
195.25 United States Code, title 26, chapter 21, sections 3121 (d)(3)(A) and 3121 (d)(3)(D); or

195.26 ~~(4)~~(5) product demonstrators in retail stores or other locations to aid in the sale of
195.27 products. The person that pays the wages is the employer.

195.28 (b) Employment does not include service as a juror.

195.29 (c) Construction industry employment is defined in subdivision 9a. Trucking and
195.30 messenger/courier industry employment is defined in subdivision 25b. Rules on determining
195.31 worker employment status are described under Minnesota Rules, chapter 3315.

196.1 Sec. 2. Minnesota Statutes 2018, section 268.044, subdivision 2, is amended to read:

196.2 Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit
196.3 the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed
196.4 based upon the highest of:

196.5 (1) the number of employees reported on the last wage detail report submitted;

196.6 (2) the number of employees reported in the corresponding quarter of the prior calendar
196.7 year; or

196.8 (3) if no wage detail report has ever been submitted, the number of employees listed at
196.9 the time of employer registration.

196.10 The late fee is canceled if the wage detail report is received within 30 calendar days
196.11 after a demand for the report is sent to the employer by mail or electronic transmission. A
196.12 late fee assessed an employer may not be canceled more than twice each 12 months. The
196.13 amount of the late fee assessed may not be less than \$250.

196.14 (b) If the wage detail report is not received in a manner and format prescribed by the
196.15 commissioner within 30 calendar days after demand is sent under paragraph (a), the late
196.16 fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the
196.17 increased late fee will be sent to the employer by mail or electronic transmission.

196.18 (c) Late fees due under this subdivision may be canceled, in whole or in part, under
196.19 section ~~268.066~~ where good cause for late submission is found by the commissioner 268.067.

196.20 Sec. 3. Minnesota Statutes 2018, section 268.047, subdivision 3, is amended to read:

196.21 Subd. 3. **Exceptions for taxpaying employers.** Unemployment benefits paid will not
196.22 be used in computing the future tax rate of a taxpaying base period employer when:

196.23 (1) the applicant's wage credits from that employer are less than \$500;

196.24 (2) the applicant quit the employment, unless it was determined under section 268.095,
196.25 to have been because of a good reason caused by the employer or because the employer
196.26 notified the applicant of discharge within 30 calendar days. This exception applies ~~only~~ to
196.27 unemployment benefits paid for periods after the applicant's quitting the employment and,
196.28 if the applicant is rehired by the employer, continues only until the beginning of the week
196.29 the applicant is rehired; or

196.30 (3) the employer discharged the applicant from employment because of employment
196.31 misconduct as determined under section 268.095. This exception applies ~~only~~ to
196.32 unemployment benefits paid for periods after the applicant's discharge from employment

197.1 and, if the applicant is rehired by the employer, continues only until the beginning of the
197.2 week the applicant is rehired.

197.3 Sec. 4. Minnesota Statutes 2018, section 268.085, subdivision 3, is amended to read:

197.4 Subd. 3. **Vacation and sick payments that delay unemployment benefits.** (a) An
197.5 applicant is not eligible to receive unemployment benefits for any week the applicant is
197.6 receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also
197.7 known as "PTO."

197.8 This paragraph ~~only applies upon temporary, indefinite, or seasonal separation and does~~
197.9 ~~not apply:~~

197.10 (1) upon a permanent separation from employment; or

197.11 (2) to payments from a vacation fund administered by a union or a third party not under
197.12 the control of the employer.

197.13 ~~Payments under this paragraph are applied to the period immediately following the~~
197.14 ~~temporary, indefinite, or seasonal separation.~~

197.15 ~~(b) An applicant is not eligible to receive unemployment benefits for any week the~~
197.16 ~~applicant is receiving, has received, or will receive severance pay, bonus pay, or any other~~
197.17 ~~payments paid by an employer because of, upon, or after separation from employment.~~

197.18 ~~This paragraph only applies if the payment is:~~

197.19 ~~(1) considered wages under section 268.035, subdivision 29; or~~

197.20 ~~(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social~~
197.21 ~~Security and Medicare.~~

197.22 (b) Payments under this paragraph subdivision are applied to the period immediately
197.23 following the later of the date of separation from employment or the date the applicant first
197.24 becomes aware that the employer will be making a payment. The date the payment is actually
197.25 made or received, or that an applicant must agree to a release of claims, does not affect the
197.26 application of this paragraph subdivision.

197.27 ~~This paragraph does not apply to earnings under subdivision 5, back pay under~~
197.28 ~~subdivision 6, or vacation pay, sick pay, or personal time off pay under paragraph (a).~~

197.29 ~~(c) An applicant is not eligible to receive unemployment benefits for any week the~~
197.30 ~~applicant is receiving, has received, will receive, or has applied for pension, retirement, or~~
197.31 ~~annuity payments from any plan contributed to by a base period employer including the~~

198.1 ~~United States government. The base period employer is considered to have contributed to~~
198.2 ~~the plan if the contribution is excluded from the definition of wages under section 268.035,~~
198.3 ~~subdivision 29. If the pension, retirement, or annuity payment is paid in a lump sum, an~~
198.4 ~~applicant is not considered to have received a payment if:~~

198.5 ~~(1) the applicant immediately deposits that payment in a qualified pension plan or~~
198.6 ~~account; or~~

198.7 ~~(2) that payment is an early distribution for which the applicant paid an early distribution~~
198.8 ~~penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).~~

198.9 ~~This paragraph does not apply to Social Security benefits under subdivision 4 or 4a.~~

198.10 ~~(d)~~ (c) This subdivision applies to all the weeks of payment. The number of weeks of
198.11 payment is determined as follows:

198.12 (1) if the payments are made periodically, the total of the payments to be received is
198.13 divided by the applicant's last level of regular weekly pay from the employer; or

198.14 (2) if the payment is made in a lump sum, that sum is divided by the applicant's last level
198.15 of regular weekly pay from the employer.

198.16 ~~For purposes of this paragraph, The~~ "last level of regular weekly pay" includes
198.17 commissions, bonuses, and overtime pay if that is part of the applicant's ongoing regular
198.18 compensation.

198.19 ~~(e)~~ (d) Under this subdivision, if the payment with respect to a week is equal to or more
198.20 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
198.21 benefits for that week. If the payment with respect to a week is less than the applicant's
198.22 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
198.23 of the payment.

198.24 Sec. 5. Minnesota Statutes 2018, section 268.085, subdivision 3a, is amended to read:

198.25 Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant
198.26 is not eligible to receive unemployment benefits for any week in which the applicant is
198.27 receiving or has received compensation for loss of wages equal to or in excess of the
198.28 applicant's weekly unemployment benefit amount under:

198.29 (1) the workers' compensation law of this state;

198.30 (2) the workers' compensation law of any other state or similar federal law; or

198.31 (3) any insurance or trust fund paid in whole or in part by an employer.

199.1 (b) This subdivision does not apply to an applicant who has a claim pending for loss of
199.2 wages under paragraph (a); however, before unemployment benefits may be paid when a
199.3 claim is pending, the issue of the applicant being available for suitable employment, as
199.4 required under subdivision 1, clause (4), is ~~is~~ must be determined under section 268.101,
199.5 subdivision 2. If the applicant later receives compensation as a result of the pending claim,
199.6 the applicant is subject to ~~the provisions of~~ paragraph (a) and the unemployment benefits
199.7 paid are ~~subject to recoupment by the commissioner to the extent that the compensation~~
199.8 ~~constitutes~~ overpaid unemployment benefits under section 268.18, subdivision 1.

199.9 (c) If the amount of compensation described under paragraph (a) for any week is less
199.10 than the applicant's weekly unemployment benefit amount, unemployment benefits requested
199.11 for that week are reduced by the amount of that compensation payment.

199.12 Sec. 6. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
199.13 read:

199.14 Subd. 3b. Separation, severance, or bonus payments that delay unemployment
199.15 benefits. (a) An applicant is not eligible to receive unemployment benefits for any week
199.16 the applicant is receiving, has received, or will receive separation pay, severance pay, bonus
199.17 pay, or any other payments paid by an employer because of, upon, or after separation from
199.18 employment. This subdivision applies if the payment is:

199.19 (1) considered wages under section 268.035, subdivision 29; or

199.20 (2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social
199.21 Security and Medicare.

199.22 (b) Payments under this subdivision are applied to the period immediately following the
199.23 later of the date of separation from employment or the date the applicant first becomes
199.24 aware that the employer will be making a payment. The date the payment is actually made
199.25 or received, or that an applicant must agree to a release of claims, does not affect the
199.26 application of this paragraph.

199.27 (c) This subdivision does not apply to earnings under subdivision 5, back pay under
199.28 subdivision 6, or vacation pay, sick pay, or personal time off pay under subdivision 3.

199.29 (d) This subdivision applies to all the weeks of payment. The number of weeks of
199.30 payment is determined in accordance with subdivision 3, paragraph (c).

199.31 (e) Under this subdivision, if the payment with respect to a week is equal to or more
199.32 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
199.33 benefits for that week. If the payment with respect to a week is less than the applicant's

200.1 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
200.2 of the payment.

200.3 Sec. 7. Minnesota Statutes 2018, section 268.085, is amended by adding a subdivision to
200.4 read:

200.5 Subd. 3c. **Pension or retirement payment offset.** (a) An applicant is not eligible to
200.6 receive unemployment benefits for any week the applicant is receiving, has received, will
200.7 receive, or has applied for pension, retirement, or annuity payments from any plan contributed
200.8 to by a base period employer including the United States government. The base period
200.9 employer is considered to have contributed to the plan if the contribution is excluded from
200.10 the definition of wages under section 268.035, subdivision 29.

200.11 (b) If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is
200.12 not considered to have received a payment if:

200.13 (1) the applicant immediately deposits that payment in a qualified pension plan or
200.14 account; or

200.15 (2) that payment is an early distribution for which the applicant paid an early distribution
200.16 penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

200.17 (c) This subdivision does not apply to Social Security benefits under subdivision 4 or
200.18 4a.

200.19 (d) This subdivision applies to all the weeks of payment.

200.20 If the payment is made in a lump sum, that sum is divided by the applicant's last level
200.21 of regular weekly pay from the employer to determine the weeks of payment.

200.22 The "last level of regular weekly pay" includes commissions, bonuses, and overtime
200.23 pay if that is part of the applicant's ongoing regular compensation.

200.24 (e) Under this subdivision, if the payment with respect to a week is equal to or more
200.25 than the applicant's weekly unemployment benefit amount, the applicant is ineligible for
200.26 benefits for that week. If the payment with respect to a week is less than the applicant's
200.27 weekly unemployment benefit amount, unemployment benefits are reduced by the amount
200.28 of the payment.

201.1 Sec. 8. Minnesota Statutes 2018, section 268.085, subdivision 13a, is amended to read:

201.2 Subd. 13a. **Leave of absence.** (a) An applicant on a voluntary leave of absence is
201.3 ineligible for unemployment benefits for the duration of the leave of absence. An applicant
201.4 on an involuntary leave of absence is not ineligible under this subdivision.

201.5 A leave of absence is voluntary when work that the applicant can then perform is available
201.6 with the applicant's employer but the applicant chooses not to work. A medical leave of
201.7 absence is not presumed to be voluntary.

201.8 (b) A period of vacation requested by the applicant, paid or unpaid, is a voluntary leave
201.9 of absence. A vacation period assigned by an employer under: (1) a uniform vacation
201.10 shutdown; (2) a collective bargaining agreement; or (3) an established employer policy, is
201.11 an involuntary leave of absence.

201.12 (c) A leave of absence is a temporary stopping of work that has been approved by the
201.13 employer. A ~~voluntary~~ leave of absence is not a quit ~~and an involuntary leave of absence~~
201.14 ~~is not~~ or a discharge from employment for purposes of. Section 268.095 does not apply to
201.15 a leave of absence.

201.16 (d) An applicant who is on a paid leave of absence, whether the leave of absence is
201.17 voluntary or involuntary, is ineligible for unemployment benefits for the duration of the
201.18 leave.

201.19 (e) This subdivision applies to a leave of absence from a base period employer, an
201.20 employer during the period between the end of the base period and the effective date of the
201.21 benefit account, or an employer during the benefit year.

201.22 Sec. 9. Minnesota Statutes 2018, section 268.095, subdivision 6, is amended to read:

201.23 Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any
201.24 intentional, negligent, or indifferent conduct, on the job or off the job, ~~that displays clearly:~~

201.25 ~~(1) is a serious violation of the standards of behavior the employer has the right to~~
201.26 ~~reasonably expect of the employee; or~~

201.27 ~~(2) a substantial lack of concern for the employment.~~

201.28 (b) Regardless of paragraph (a), the following is not employment misconduct:

201.29 (1) conduct that was a consequence of the applicant's mental illness or impairment;

201.30 (2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

201.31 (3) simple unsatisfactory conduct;

202.1 (4) conduct an average reasonable employee would have engaged in under the
202.2 circumstances;

202.3 (5) conduct that was a consequence of the applicant's inability or incapacity;

202.4 (6) good faith errors in judgment if judgment was required;

202.5 (7) absence because of illness or injury of the applicant, with proper notice to the
202.6 employer;

202.7 (8) absence, with proper notice to the employer, in order to provide necessary care
202.8 because of the illness, injury, or disability of an immediate family member of the applicant;

202.9 (9) conduct that was a consequence of the applicant's chemical dependency, unless the
202.10 applicant was previously diagnosed chemically dependent or had treatment for chemical
202.11 dependency, and since that diagnosis or treatment has failed to make consistent efforts to
202.12 control the chemical dependency; or

202.13 (10) conduct that was a consequence of the applicant, or an immediate family member
202.14 of the applicant, being a victim of domestic abuse, sexual assault, or stalking. For the
202.15 purposes of this subdivision, "domestic abuse," "sexual assault," and "stalking" have the
202.16 meanings given them in subdivision 1.

202.17 (c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20,
202.18 169A.31, 169A.50 to 169A.53, or 171.177 that ~~interferes with or~~ adversely affects the
202.19 employment is employment misconduct.

202.20 (d) If the conduct for which the applicant was discharged involved only a single incident,
202.21 that is an important fact that must be considered in deciding whether the conduct rises to
202.22 the level of employment misconduct under paragraph (a). This paragraph does not require
202.23 that a determination under section 268.101 or decision under section 268.105 contain a
202.24 specific acknowledgment or explanation that this paragraph was considered.

202.25 (e) The definition of employment misconduct provided by this subdivision is exclusive
202.26 and no other definition applies.

202.27 Sec. 10. Minnesota Statutes 2018, section 268.095, subdivision 6a, is amended to read:

202.28 Subd. 6a. **Aggravated employment misconduct defined.** (a) ~~For the purpose of this~~
202.29 ~~section, "aggravated employment misconduct" means:~~

202.30 (1) The commission of any act, on the job or off the job, that would amount to a gross
202.31 misdemeanor or felony is aggravated employment misconduct if the act ~~substantially~~
202.32 ~~interfered with the employment or~~ had a significant adverse effect on the employment; ~~or,~~

203.1 A criminal charge or conviction is not necessary to determine aggravated employment
203.2 misconduct under this paragraph. If an applicant is convicted of a gross misdemeanor or
203.3 felony, the applicant is presumed to have committed the act.

203.4 ~~(2) (b)~~ For an employee of a facility as defined in section 626.5572, aggravated
203.5 employment misconduct includes an act of patient or resident abuse, financial exploitation,
203.6 or recurring or serious neglect, as defined in section 626.5572 and applicable rules.

203.7 ~~(b) If an applicant is convicted of a gross misdemeanor or felony for the same act for~~
203.8 ~~which the applicant was discharged, it is aggravated employment misconduct if the act~~
203.9 ~~substantially interfered with the employment or had a significant adverse effect on the~~
203.10 ~~employment.~~

203.11 (c) The definition of aggravated employment misconduct provided by this subdivision
203.12 is exclusive and no other definition applies.

203.13 Sec. 11. **EFFECTIVE DATE.**

203.14 Unless otherwise specified, this article is effective October 1, 2019.

203.15 **ARTICLE 14**
203.16 **UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; TECHNICAL**

203.17 Section 1. Minnesota Statutes 2018, section 268.044, subdivision 3, is amended to read:

203.18 Subd. 3. **Missing or erroneous information.** (a) Any employer that submits the wage
203.19 detail report, but fails to include all required employee information or enters erroneous
203.20 information, is subject to an administrative service fee of \$25 for each employee for whom
203.21 the information is partially missing or erroneous.

203.22 (b) Any employer that submits the wage detail report, but fails to include an employee,
203.23 is subject to an administrative service fee equal to two percent of the total wages for each
203.24 employee for whom the information is completely missing.

203.25 (c) An administrative service fee under this subdivision must be canceled under section
203.26 268.067 if the commissioner determines that the failure or error by the employer occurred
203.27 because of ignorance or inadvertence.

203.28 Sec. 2. Minnesota Statutes 2018, section 268.046, subdivision 1, is amended to read:

203.29 Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying
203.30 employer to have that person obtain the taxpaying employer's workforce and provide workers

204.1 to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for
204.2 the duration of the contract the taxpaying employer's account under section 268.045. That
204.3 tax account must be maintained by the person separate and distinct from every other tax
204.4 account held by the person and identified in a manner prescribed by the commissioner. The
204.5 tax account is, for the duration of the contract, considered that person's account for all
204.6 purposes of this chapter. The workers obtained from the taxpaying employer and any other
204.7 workers provided by that person to the taxpaying employer, including officers of the
204.8 taxpaying employer as defined in section 268.035, subdivision 20, clause ~~(28)~~ (29), whose
204.9 wages paid by the person are considered paid in covered employment under section 268.035,
204.10 subdivision 24, for the duration of the contract between the taxpaying employer and the
204.11 person, must, under section 268.044, be reported on the wage detail report under that tax
204.12 account, and that person must pay any taxes due at the tax rate computed for that account
204.13 under section 268.051, subdivision 2.

204.14 (b) Any workers of the taxpaying employer who are not covered by the contract under
204.15 paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage
204.16 detail report under the tax account assigned under paragraph (a). Taxes and any other
204.17 amounts due on the wages reported by the taxpaying employer under this paragraph may
204.18 be paid directly by the taxpaying employer.

204.19 (c) If the taxpaying employer that contracts with a person under paragraph (a) does not
204.20 have a tax account at the time of the execution of the contract, an account must be registered
204.21 for the taxpaying employer under section 268.042 and the new employer tax rate under
204.22 section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the
204.23 person as provided for in paragraph (a).

204.24 (d) A person that contracts with a taxpaying employer under paragraph (a) must, within
204.25 30 calendar days of the execution or termination of a contract, notify the commissioner by
204.26 electronic transmission, in a format prescribed by the commissioner, of that execution or
204.27 termination. The taxpaying employer's name, the account number assigned, and any other
204.28 information required by the commissioner must be provided by that person.

204.29 (e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer
204.30 of the assignment of the tax account under this section and the taxpaying employer's
204.31 obligation under paragraph (b). If there is a termination of the contract, the tax account is,
204.32 as of the date of termination, immediately assigned to the taxpaying employer.

205.1 Sec. 3. Minnesota Statutes 2018, section 268.069, subdivision 1, is amended to read:

205.2 Subdivision 1. **Requirements.** The commissioner must pay unemployment benefits
205.3 from the trust fund to an applicant who has met each of the following requirements:

205.4 (1) the applicant has filed an application for unemployment benefits and established a
205.5 benefit account in accordance with section 268.07;

205.6 (2) the applicant has not been held ineligible for unemployment benefits under section
205.7 268.095 because of a quit or discharge;

205.8 (3) the applicant has met all of the ongoing eligibility requirements under section 268.085;

205.9 (4) the applicant does not have an outstanding overpayment of unemployment benefits,
205.10 including any penalties or interest; and

205.11 (5) the applicant has not been held ineligible for unemployment benefits under section
205.12 268.183 ~~because of a false representation or concealment of facts.~~

205.13 Sec. 4. Minnesota Statutes 2018, section 268.105, subdivision 6, is amended to read:

205.14 Subd. 6. **Representation; fees.** (a) In any proceeding under subdivision 1 or 2, an
205.15 applicant or employer may be represented by any authorized representative.

205.16 Except for services provided by an attorney-at-law, no person may charge an applicant
205.17 a fee of any kind for advising, assisting, or representing an applicant in a hearing ~~or~~ on
205.18 reconsideration, or in a proceeding under subdivision 7.

205.19 (b) An applicant may not be charged fees, costs, or disbursements of any kind in a
205.20 proceeding before an unemployment law judge, the Minnesota Court of Appeals, or the
205.21 Supreme Court of Minnesota.

205.22 (c) No attorney fees may be awarded, or costs or disbursements assessed, against the
205.23 department as a result of any proceedings under this section.

205.24 Sec. 5. Minnesota Statutes 2018, section 268.145, subdivision 1, is amended to read:

205.25 Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits,
205.26 the applicant must be informed that:

205.27 (1) unemployment benefits are subject to federal and state income tax;

205.28 (2) there are requirements for filing estimated tax payments;

205.29 (3) the applicant may elect to have federal income tax withheld from unemployment
205.30 benefits;

206.1 (4) if the applicant elects to have federal income tax withheld, the applicant may, in
206.2 addition, elect to have Minnesota state income tax withheld; and

206.3 (5) at any time during the benefit year the applicant may change a prior election.

206.4 (b) If an applicant elects to have federal income tax withheld, the commissioner must
206.5 deduct ten percent for federal income tax. If an applicant also elects to have Minnesota state
206.6 income tax withheld, the commissioner must make an additional five percent deduction for
206.7 state income tax. Any ~~amounts~~ amount deducted ~~or offset~~ under ~~sections 268.155, 268.18,~~
206.8 ~~and 268.184~~ have section 268.085 has priority over any amounts deducted under this section.
206.9 Federal income tax withholding has priority over state income tax withholding.

206.10 (c) An election to have income tax withheld may not be retroactive and only applies to
206.11 unemployment benefits paid after the election.

206.12 Sec. 6. Minnesota Statutes 2018, section 268.18, subdivision 5, is amended to read:

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

206.16 (b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter
206.17 under section 176.361 is not an election of a remedy and does not prevent the commissioner
206.18 from determining an applicant ineligible for unemployment benefits ~~or taking action under~~
206.19 ~~section 268.183.~~

206.20 Sec. 7. **REVISOR INSTRUCTION.**

206.21 The revisor of statutes is instructed to make the following changes in Minnesota Statutes:

206.22 (1) delete the term "bona fide" wherever it appears in section 268.035;

206.23 (2) replace the term "under" with "subject to" in section 268.047, subdivision 2, clause
206.24 (8);

206.25 (3) replace the term "displays clearly" with "shows" in chapter 268;

206.26 (4) replace the term "entire" with "hearing" in section 268.105; and

206.27 (5) replace "24 calendar months" with "eight calendar quarters" in section 268.052,
206.28 subdivision 2.

206.29 Sec. 8. **EFFECTIVE DATE.**

206.30 Unless otherwise specified, this article is effective October 1, 2019.

207.1

ARTICLE 15

207.2

UI POLICY

207.3 Section 1. Minnesota Statutes 2018, section 268.085, subdivision 8, is amended to read:

207.4 Subd. 8. **Services for school contractors.** (a) Wage credits from an employer are subject
207.5 to subdivision 7; if:

207.6 (1) the employment was provided under a contract between the employer and an
207.7 elementary or secondary school; and

207.8 (2) the contract was for services that the elementary or secondary school could have had
207.9 performed by its employees.

207.10 (b) Wage credits from an employer are not subject to subdivision 7 if:

207.11 (1) those wage credits were earned by an employee of a private employer performing
207.12 work under a contract between the employer and an elementary or secondary school; and

207.13 (2) the employment was related to bus or food services provided to the school by the
207.14 employer.

207.15

ARTICLE 16

207.16

BUREAU OF MEDIATION SERVICES POLICY

207.17 Section 1. Minnesota Statutes 2018, section 13.43, subdivision 6, is amended to read:

207.18 Subd. 6. **Access by labor organizations, Bureau of Mediation Services, Public**
207.19 **Employment Relations Board.** Personnel data may be disseminated to labor organizations
207.20 and the Public Employment Relations Board to the extent that the responsible authority
207.21 determines that the dissemination is necessary to conduct elections, notify employees of
207.22 fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel
207.23 data shall be disseminated to labor organizations, the Public Employment Relations Board,
207.24 and to the Bureau of Mediation Services to the extent the dissemination is ordered or
207.25 authorized by the commissioner of the Bureau of Mediation Services or the Public
207.26 Employment Relations Board or its designee.

207.27 Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

207.28 Subdivision 1. **Definition.** For purposes of this section, "board" means the Public
207.29 Employment Relations Board.

207.30 Subd. 2. **Nonpublic data.** (a) Except as provided in this subdivision, all data maintained
207.31 by the board about a charge or complaint of unfair labor practices and appeals of

208.1 determinations of the commissioner under section 179A.12, subdivision 11, are classified
208.2 as protected nonpublic data or confidential data, and become public when admitted into
208.3 evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to
208.4 a protective order as determined by the board or a hearing officer.

208.5 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

208.6 (1) the filing date of unfair labor practice charges;

208.7 (2) the status of unfair labor practice charges as an original or amended charge;

208.8 (3) the names and job classifications of charging parties and charged parties;

208.9 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

208.10 (5) the complaint issued by the board and all data in the complaint;

208.11 (6) the full and complete record of an evidentiary hearing before a hearing officer,

208.12 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,

208.13 unless subject to a protective order;

208.14 (7) recommended decisions and orders of hearing officers pursuant to section 179A.13,

208.15 subdivision 1, paragraph (i);

208.16 (8) exceptions to the hearing officer's recommended decision and order filed with the

208.17 board pursuant to section 179A.13, subdivision 1, paragraph (k);

208.18 (9) briefs filed with the board; and

208.19 (10) decisions and orders issued by the board.

208.20 (c) Notwithstanding paragraph (a), individuals have access to their own statements

208.21 provided to the board under paragraph (a).

208.22 (d) The board may make any data classified as protected nonpublic or confidential

208.23 pursuant to this subdivision accessible to any person or party if the access will aid the

208.24 implementation of chapters 179 and 179A or ensure due process protection of the parties.

208.25 Sec. 3. Minnesota Statutes 2018, section 179A.041, is amended by adding a subdivision

208.26 to read:

208.27 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when

208.28 it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12,

208.29 and 179A.13; reviewing a recommended decision and order of a hearing officer under

208.30 section 179A.13; or reviewing decisions of the commissioner of the Bureau of Mediation

208.31 Services relating to unfair labor practices under section 179A.12, subdivision 11.

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

209.2 Sec. 4. Laws 2014, chapter 211, section 13, as amended by Laws 2015, First Special
209.3 Session chapter 1, article 7, section 1, Laws 2016, chapter 189, article 7, section 42, and
209.4 Laws 2017, chapter 94, article 12, section 1, is amended to read:

209.5 Sec. 13. **EFFECTIVE DATE.**

209.6 Sections 1 to 3 and 6 to 11 are effective ~~July~~ January 1, 2020. Sections 4, 5, and 12 are
209.7 effective July 1, 2014.

209.8 **EFFECTIVE DATE.** This section is effective the day following final enactment. Until
209.9 January 1, 2020, any employee, employer, employee or employer organization, exclusive
209.10 representative, or any other person or organization aggrieved by an unfair labor practice as
209.11 defined in Minnesota Statutes, section 179A.13, may bring an action for injunctive relief
209.12 and for damages caused by the unfair labor practice in the district court of the county in
209.13 which the practice is alleged to have occurred.

209.14 **ARTICLE 17**

209.15 **UNCLAIMED PROPERTY; GENERAL**

209.16 Section 1. **[345A.101] DEFINITIONS.**

209.17 (1) For the purposes of this chapter, the terms defined in this section have the meanings
209.18 given them.

209.19 (2) "Administrator" means the commissioner of commerce.

209.20 (3) "Administrator's agent" means a person with which the administrator contracts to
209.21 conduct an examination under this chapter on behalf of the administrator. The term includes
209.22 an independent contractor of the person and each individual participating in the examination
209.23 on behalf of the person or contractor.

209.24 (4) "Affiliated group of merchants" means two or more affiliated merchants or other
209.25 persons that are related by common ownership or common corporate control and that share
209.26 the same name, mark, or logo. Affiliated group of merchants also applies to two or more
209.27 merchants or other persons that agree among themselves, by contract or otherwise, to redeem
209.28 cards, codes, or other devices bearing the same name, mark, or logo, other than the mark,
209.29 logo, or brand of a payment network, for the purchase of goods or services solely at such
209.30 merchants or persons. However, merchants or other persons are not considered affiliated

210.1 merely because they agree to accept a card that bears the mark, logo, or brand of a payment
210.2 network.

210.3 (5) "Apparent owner" means a person whose name appears on the records of a holder
210.4 as the owner of property held, issued, or owing by the holder.

210.5 (6) "Business association" means a corporation, joint stock company, investment
210.6 company, other than an investment company registered under the Investment Company Act
210.7 of 1940, as amended, United States Code, title 15, sections 80a-1 to 80a-64, partnership,
210.8 unincorporated association, joint venture, limited liability company, business trust, trust
210.9 company, land bank, safe deposit company, safekeeping depository, financial organization,
210.10 insurance company, federally chartered entity, utility, sole proprietorship, or other business
210.11 entity, whether or not for profit.

210.12 (7) "District court" means Ramsey County District Court.

210.13 (8) "Domicile" means:

210.14 (A) for a corporation, the state of its incorporation;

210.15 (B) for a business association whose formation requires a filing with a state, other than
210.16 a corporation, the state of its filing;

210.17 (C) for a federally chartered entity or an investment company registered under the
210.18 Investment Company Act of 1940, as amended, United States Code, title 15, sections 80a-1
210.19 to 80a-64, the state of its home office; and

210.20 (D) for any other holder, the state of its principal place of business.

210.21 (9) "Electronic" means relating to technology having electrical, digital, magnetic, wireless,
210.22 optical, electromagnetic, or similar capabilities.

210.23 (10) "E-mail" means a communication by electronic means which is automatically
210.24 retained and stored and may be readily accessed or retrieved.

210.25 (11) "Financial organization" means a savings and loan association, building and loan
210.26 association, savings bank, industrial bank, bank, banking organization, or credit union.

210.27 (12) "Game-related digital content" means digital content that exists only in an electronic
210.28 game or electronic-game platform. The term:

210.29 (A) includes:

210.30 i. game-play currency such as a virtual wallet, even if denominated in United States
210.31 currency; and

211.1 ii. the following if for use or redemption only within the game or platform or another
211.2 electronic game or electronic-game platform:

211.3 1. points sometimes referred to as gems, tokens, gold, and similar names; and

211.4 2. digital codes; and

211.5 (B) does not include an item that the issuer:

211.6 i. permits to be redeemed for use outside a game or platform for:

211.7 ii. money; or

211.8 iii. goods or services that have more than minimal value; or

211.9 iv. otherwise monetizes for use outside a game or platform.

211.10 (13) "Gift card" means:

211.11 (A) a stored-value card:

211.12 i. issued on a prepaid basis for a specified amount;

211.13 ii. the value of which does not expire;

211.14 iii. that is not subject to a dormancy, inactivity, or service fee;

211.15 iv. that may be decreased in value only by redemption for merchandise, goods, or services

211.16 upon presentation at a single merchant or an affiliated group of merchants;

211.17 v. that, unless required by law, may not be redeemed for or converted into money or

211.18 otherwise monetized by the issuer; and

211.19 (B) includes a prepaid commercial mobile radio service, as defined in Code of Federal

211.20 Regulations, title 47, section 20.3, as amended.

211.21 (14) "Holder" means a person obligated to hold for the account of, or to deliver or pay

211.22 to, the owner, property subject to this chapter.

211.23 (15) "Insurance company" means an association, corporation, or fraternal or

211.24 mutual-benefit organization, whether or not for profit, engaged in the business of providing

211.25 life endowments, annuities, or insurance, including accident, burial, casualty, credit-life,

211.26 contract-performance, dental, disability, fidelity, fire, health, hospitalization, illness, life,

211.27 malpractice, marine, mortgage, surety, wage-protection, and worker-compensation insurance.

211.28 (16) "Loyalty card" means a record given without direct monetary consideration under

211.29 an award, reward, benefit, loyalty, incentive, rebate, or promotional program which may

211.30 be used or redeemed only to obtain goods or services or a discount on goods or services.

212.1 Loyalty card does not include a record that may be redeemed for money or otherwise
212.2 monetized by the issuer.

212.3 (17) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid or solid hydrocarbon,
212.4 cement material, sand and gravel, road material, building stone, chemical raw material,
212.5 gemstone, fissionable and nonfissionable ores, colloidal and other clay, steam and other
212.6 geothermal resources, and any other substance defined as a mineral by law of this state other
212.7 than this chapter.

212.8 (18) "Mineral proceeds" means an amount payable for extraction, production, or sale of
212.9 minerals, or, on the abandonment of the amount, an amount that becomes payable after
212.10 abandonment. Mineral proceeds includes an amount payable:

212.11 (A) for the acquisition and retention of a mineral lease, including a bonus, royalty,
212.12 compensatory royalty, shut-in royalty, minimum royalty, and delay rental;

212.13 (B) for the extraction, production, or sale of minerals, including a net revenue interest,
212.14 royalty, overriding royalty, extraction payment, and production payment; and

212.15 (C) under an agreement or option, including a joint-operating agreement, unit agreement,
212.16 pooling agreement, and farm-out agreement.

212.17 (19) "Money order" means a payment order for a specified amount of money. Money
212.18 order includes an express money order and a personal money order on which the remitter
212.19 is the purchaser.

212.20 (20) "Municipal bond" means a bond or evidence of indebtedness issued by a municipality
212.21 or other political subdivision of a state.

212.22 (21) "Net card value" means the original purchase price or original issued value of a
212.23 stored-value card, plus amounts added to the original price or value, minus amounts used
212.24 and any service charge, fee, or dormancy charge permitted by law.

212.25 (22) "Nonfreely transferable security" means a security that cannot be delivered to the
212.26 administrator by the Depository Trust Clearing Corporation or similar custodian of securities
212.27 providing post-trade clearing and settlement services to financial markets or cannot be
212.28 delivered because there is no agent to effect transfer. Nonfreely transferable security includes
212.29 a worthless security.

212.30 (23) "Owner" means a person that has a legal, beneficial, or equitable interest in property
212.31 subject to this chapter or the person's legal representative when acting on behalf of the
212.32 owner. Owner includes:

- 213.1 (A) a depositor, for a deposit;
- 213.2 (B) a beneficiary, for a trust other than a deposit in trust;
- 213.3 (C) a creditor, claimant, or payee, for other property; and
- 213.4 (D) the lawful bearer of a record that may be used to obtain money, a reward, or a thing
- 213.5 of value.
- 213.6 (24) "Payroll card" means a record that evidences a payroll card account as defined in
- 213.7 Regulation E, Code of Federal Regulations, title 12, part 1005, as amended.
- 213.8 (25) "Person" means an individual, estate, business association, public corporation,
- 213.9 government or governmental subdivision, agency, instrumentality, or other legal entity
- 213.10 whether or not for profit.
- 213.11 (26) "Property" means tangible property described in section 345A.205 or a fixed and
- 213.12 certain interest in intangible property held, issued, or owed in the course of a holder's business
- 213.13 or by a government, governmental subdivision, agency, or instrumentality. Property:
- 213.14 (A) includes all income from or increments to the property;
- 213.15 (B) includes property referred to as or evidenced by:
- 213.16 i. money, virtual currency, interest, dividend, check, draft, deposit, or payroll card;
- 213.17 ii. a credit balance, customer's overpayment, stored-value card, security deposit, refund,
- 213.18 credit memorandum, unpaid wage, unused ticket for which the issuer has an obligation to
- 213.19 provide a refund, mineral proceeds, or unidentified remittance;
- 213.20 iii. a security except for:
- 213.21 1. a worthless security; or
- 213.22 2. a security that is subject to a lien, legal hold, or restriction evidenced on the records
- 213.23 of the holder or imposed by operation of law, if the lien, legal hold, or restriction restricts
- 213.24 the holder's or owner's ability to receive, transfer, sell, or otherwise negotiate the security;
- 213.25 iv. a bond, debenture, note, or other evidence of indebtedness;
- 213.26 v. money deposited to redeem a security, make a distribution, or pay a dividend;
- 213.27 vi. an amount due and payable under an annuity contract or insurance policy; and
- 213.28 vii. an amount distributable from a trust or custodial fund established under a plan to
- 213.29 provide health, welfare, pension, vacation, severance, retirement, death, stock purchase,

214.1 profit-sharing, employee savings, supplemental unemployment insurance, or a similar
214.2 benefit; and

214.3 (C) does not include:

214.4 i. property held in a plan described in section 529A of the Internal Revenue Code, as
214.5 amended, United States Code, title 26, section 529A;

214.6 ii. game-related digital content;

214.7 iii. a loyalty card;

214.8 iv. a gift card; or

214.9 v. money held or owing by a public pension fund enumerated in section 356.20,
214.10 subdivision 2, or 356.30, subdivision 3; or covered by sections 69.77 or 69.771 to 69.776,
214.11 if the plan governing the public pension fund includes a provision governing the disposition
214.12 of unclaimed amounts of money.

214.13 (27) "Putative holder" means a person believed by the administrator to be a holder, until
214.14 the person pays or delivers to the administrator property subject to this chapter or the
214.15 administrator or a court makes a final determination that the person is or is not a holder.

214.16 (28) "Record" means information that is inscribed on a tangible medium or that is stored
214.17 in an electronic or other medium and is retrievable in perceivable form. "Records of the
214.18 holder" includes records maintained by a third party that has contracted with the holder.

214.19 (29) "Security" means:

214.20 (A) a security as defined in article 8 of the Uniform Commercial Code, section 336.8-102;

214.21 (B) a security entitlement as defined in article 8 of the Uniform Commercial Code,
214.22 section 336.8-102, including a customer security account held by a registered broker-dealer,
214.23 to the extent the financial assets held in the security account are not:

214.24 i. registered on the books of the issuer in the name of the person for which the
214.25 broker-dealer holds the assets;

214.26 ii. payable to the order of the person; or

214.27 iii. specifically endorsed to the person; or

214.28 (C) an equity interest in a business association not included in subparagraph (A) or (B).

214.29 (30) "State" means a state of the United States, the District of Columbia, the
214.30 Commonwealth of Puerto Rico, the United States Virgin Islands, or any territory or insular
214.31 possession subject to the jurisdiction of the United States.

215.1 (31) "Stored-value card" means a record evidencing a promise made for consideration
215.2 by the seller or issuer of the record that goods, services, or money will be provided to the
215.3 owner of the record to the value or amount shown in the record. Stored-value card:

215.4 (A) includes:

215.5 i. a record that contains or consists of a microprocessor chip, magnetic strip, or other
215.6 means for the storage of information, which is prefunded and whose value or amount is
215.7 decreased on each use and increased by payment of additional consideration; and

215.8 ii. a payroll card; and

215.9 (B) does not include a loyalty card, gift card, or game-related digital content.

215.10 (32) "Utility" means a person that owns or operates for public use a plant, equipment,
215.11 real property, franchise, or license for the following public services:

215.12 (A) transmission of communications or information;

215.13 (B) production, storage, transmission, sale, delivery, or furnishing of electricity, water,
215.14 steam, or gas; or

215.15 (C) provision of sewage or septic services, or trash, garbage, or recycling disposal.

215.16 (33) "Virtual currency" means a digital representation of value used as a medium of
215.17 exchange, unit of account, or store of value, which does not have legal tender status
215.18 recognized by the United States. Virtual currency does not include:

215.19 (A) the software or protocols governing the transfer of the digital representation of value;

215.20 (B) game-related digital content; or

215.21 (C) a loyalty card or gift card.

215.22 (34) "Worthless security" means a security whose cost of liquidation and delivery to the
215.23 administrator would exceed the value of the security on the date a report is due under this
215.24 chapter.

215.25 **Sec. 2. [345A.102] INAPPLICABILITY TO FOREIGN TRANSACTION.**

215.26 This chapter does not apply to property held, due, and owing in a foreign country if the
215.27 transaction out of which the property arose was a foreign transaction.

ARTICLE 18

UNCLAIMED PROPERTY; PRESUMPTION OF ABANDONMENT

Section 1. [345A.201] WHEN PROPERTY PRESUMED ABANDONED.

Subject to section 345A.210, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

(1) a traveler's check, 15 years after issuance;

(2) a money order, seven years after issuance;

(3) cooperative property, including any profit distribution or other sum held or owing by a cooperative to a participating patron is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable;

(4) a state or municipal bond, bearer bond, or original-issue discount bond, three years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;

(5) a debt of a business association, three years after the obligation to pay arises;

(6) demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the later of the maturity or the date of the last indication of interest in the property by the apparent owner, except a deposit that is automatically renewable is deemed matured three years after its initial date of maturity unless the apparent owner consented to renewal in a record on file with the holder at or about the time of the renewal;

(7) money or a credit owed to a customer as a result of a retail business transaction, other than in-store credit for returned merchandise, three years after the obligation arose;

(8) an amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, three years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

(A) with respect to an amount owed on a life or endowment insurance policy, the earlier of:

i. three years after the death of the insured; or

ii. two years after the insured has attained, or would have attained if living, the limiting age under the mortality table in which the reserve for the policy is based; and

217.1 (B) with respect to an amount owed on an annuity contract, three years after the date of
217.2 the death of the annuitant;

217.3 (9) funds on deposit or held in trust for the prepayment of funeral or other funeral-related
217.4 expenses, the earliest of:

217.5 (A) two years after the date of death of the beneficiary;

217.6 (B) one year after the date the beneficiary has attained, or would have attained if living,
217.7 the age of 105 where the holder does not know whether the beneficiary is deceased; or

217.8 (C) 30 years after the contract for prepayment was executed;

217.9 (10) property distributable by a business association in the course of dissolution, one
217.10 year after the property becomes distributable;

217.11 (11) property held by a court, including property received as proceeds of a class action,
217.12 three years after the property becomes distributable;

217.13 (12) property held by a government or governmental subdivision, agency, or
217.14 instrumentality, including municipal bond interest and unredeemed principal under the
217.15 administration of a paying agent or indenture trustee, one year after the property becomes
217.16 distributable;

217.17 (13) wages, commissions, bonuses, or reimbursements to which an employee is entitled,
217.18 or other compensation for personal services, including amounts held on a payroll card, one
217.19 year after the amount becomes payable;

217.20 (14) a deposit or refund owed to a subscriber by a utility, one year after the deposit or
217.21 refund becomes payable; and

217.22 (15) property not specified in this section or sections 345A.202 to 345A.208, the earlier
217.23 of three years after the owner first has a right to demand the property or the obligation to
217.24 pay or distribute the property arises.

217.25 Notwithstanding any provision in this section to the contrary, and subject to section
217.26 345A.210, a deceased owner cannot indicate interest in the owner's property. If the owner
217.27 is deceased and the abandonment period for the owner's property specified in this section
217.28 is greater than two years, then the property, excluding any amounts owed by an insurance
217.29 company on a life or endowment insurance policy or an annuity contract that has matured
217.30 or terminated, shall instead be presumed abandoned two years from the date of the owner's
217.31 last indication of interest in the property.

218.1 **Sec. 2. [345A.202] WHEN TAX-DEFERRED RETIREMENT ACCOUNT**
218.2 **PRESUMED ABANDONED.**

218.3 (a) Subject to section 345A.210, property held in a pension account or retirement account
218.4 that qualifies for tax deferral under the income tax laws of the United States is presumed
218.5 abandoned if it is unclaimed by the apparent owner after the later of:

218.6 (1) three years after the following dates:

218.7 (A) except as in subparagraph (B), the date a communication sent by the holder by
218.8 first-class United States mail to the apparent owner is returned to the holder undelivered by
218.9 the United States Postal Service; or

218.10 (B) if such communication is re-sent within 30 days after the date the first communication
218.11 is returned undelivered, the date the second communication was returned undelivered by
218.12 the United States Postal Service; or

218.13 (2) the earlier of the following dates:

218.14 (A) three years after the date the apparent owner becomes 70.5 years of age, if
218.15 determinable by the holder; or

218.16 (B) one year after the date of mandatory distribution following death if the Internal
218.17 Revenue Code, as amended, United States Code, title 26, section 1, et seq., requires
218.18 distribution to avoid a tax penalty and the holder:

218.19 (i) receives confirmation of the death of the apparent owner in the ordinary course of
218.20 its business; or

218.21 (ii) confirms the death of the apparent owner under subsection (b).

218.22 (b) If a holder in the ordinary course of its business receives notice or an indication of
218.23 the death of an apparent owner and subsection (a)(2) applies, the holder shall attempt, not
218.24 later than 90 days after receipt of the notice or indication, to confirm whether the apparent
218.25 owner is deceased.

218.26 (c) If the holder does not send communications to the apparent owner of an account
218.27 described in subsection (a) by first-class United States mail, the holder shall attempt to
218.28 confirm the apparent owner's interest in the property by sending the apparent owner an
218.29 e-mail communication not later than two years after the apparent owner's last indication of
218.30 interest in the property; however, the holder promptly shall attempt to contact the apparent
218.31 owner by first-class United States mail if:

219.1 (1) the holder does not have information needed to send the apparent owner an e-mail
219.2 communication or the holder believes that the apparent owner's e-mail address in the holder's
219.3 records is not valid;

219.4 (2) the holder receives notification that the e-mail communication was not received; or

219.5 (3) the apparent owner does not respond to the e-mail communication not later than 30
219.6 days after the communication was sent.

219.7 (d) If first-class United States mail sent under subsection (c) is returned to the holder
219.8 undelivered by the United States Postal Service, the property is presumed abandoned three
219.9 years after the later of:

219.10 (1) except as in paragraph (2), the date a communication to contact the apparent owner
219.11 sent by first-class United States mail is returned to the holder undelivered;

219.12 (2) if such communication is sent later than 30 days after the date the first communication
219.13 is returned undelivered, the date the second communication was returned undelivered; or

219.14 (3) the date established by subsection (a)(2).

219.15 Sec. 3. **[345A.203] WHEN OTHER TAX-DEFERRED ACCOUNT PRESUMED**
219.16 **ABANDONED.**

219.17 (a) Subject to section 345A.210 and except for property described in section 345A.202
219.18 and property held in a plan described in section 529A of the Internal Revenue Code, as
219.19 amended; United States Code, title 26, section 529A, property held in an account or plan,
219.20 including a health savings account, that qualifies for tax deferral under the income tax laws
219.21 of the United States is presumed abandoned if it is unclaimed by the apparent owner three
219.22 years after the earlier of:

219.23 (1) the date, if determinable by the holder, specified in the income tax laws and
219.24 regulations of the United States by which distribution of the property must begin to avoid
219.25 a tax penalty, with no distribution having been made; or

219.26 (2) 30 years after the date the account was opened.

219.27 (b) If the owner is deceased, property subject to this section is presumed abandoned two
219.28 years from the earliest of:

219.29 (1) the date of the distribution or attempted distribution of the property;

219.30 (2) the date the required distribution as stated in the plan or trust agreement governing
219.31 the plan; or

220.1 (3) the date, if determinable by the holder, specified in the income tax laws of the United
220.2 States by which distribution of the property must begin in order to avoid a tax penalty.

220.3 **Sec. 4. [345A.204] WHEN CUSTODIAL ACCOUNT FOR MINOR PRESUMED**
220.4 **ABANDONED.**

220.5 (a) Subject to section 345A.210, property held in an account established under a state's
220.6 Uniform Gifts to Minors Act or Uniform Transfers to Minors Act is presumed abandoned
220.7 if it is unclaimed by or on behalf of the minor on whose behalf the account was opened
220.8 three years after the later of:

220.9 (1) except as in paragraph (2), the date a communication sent by the holder by first-class
220.10 United States mail to the custodian of the minor on whose behalf the account was opened
220.11 is returned undelivered to the holder by the United States Postal Service;

220.12 (2) if the communication is re-sent later than 30 days after the date the first
220.13 communication is returned undelivered, the date the second communication was returned
220.14 undelivered; or

220.15 (3) the date on which the custodian is required to transfer the property to the minor or
220.16 the minor's estate in accordance with the Uniform Gifts to Minors Act or Uniform Transfers
220.17 to Minors Act of the state in which the account was opened.

220.18 (b) If the holder does not send communications to the custodian of the minor on whose
220.19 behalf an account described in subsection (a) was opened by first-class United States mail,
220.20 the holder shall attempt to confirm the custodian's interest in the property by sending the
220.21 custodian an e-mail communication not later than two years after the custodian's last
220.22 indication of interest in the property; however, the holder promptly shall attempt to contact
220.23 the custodian by first-class United States mail if:

220.24 (1) the holder does not have information needed to send the custodian an e-mail
220.25 communication or the holder believes that the custodian's e-mail address in the holder's
220.26 records is not valid;

220.27 (2) the holder receives notification that the e-mail communication was not received; or

220.28 (3) the custodian does not respond to the e-mail communication not later than 30 days
220.29 after the communication was sent.

220.30 (c) If first-class United States mail sent under subsection (b) is returned undelivered to
220.31 the holder by the United States Postal Service, the property is presumed abandoned three
220.32 years after the later of:

221.1 (1) the date a communication to contact the custodian by first-class United States mail
221.2 is returned to the holder undelivered by the United States Postal Service; or

221.3 (2) the date established by subsection (a)(3).

221.4 (d) When the property in the account described in subsection (a) is transferred to the
221.5 minor on whose behalf an account was opened or to the minor's estate, the property in the
221.6 account is no longer subject to this section.

221.7 **Sec. 5. [345A.205] WHEN CONTENTS OF SAFE DEPOSIT BOX PRESUMED**
221.8 **ABANDONED.**

221.9 Tangible property held in a safe deposit box and proceeds from a sale of the property
221.10 by the holder permitted by law of this state other than this chapter are presumed abandoned
221.11 if the property remains unclaimed by the apparent owner five years after the earlier of the:

221.12 (1) expiration of the lease or rental period for the safe deposit box; or

221.13 (2) earliest date when the lessor of the safe deposit box is authorized by law of this state
221.14 other than this chapter to enter the safe deposit box and remove or dispose of the contents
221.15 without consent or authorization of the lessee.

221.16 **Sec. 6. [345A.206] WHEN STORED-VALUE CARD PRESUMED ABANDONED.**

221.17 (a) Subject to section 345A.210, the net card value of a stored-value card, other than a
221.18 payroll card or a gift card, is presumed abandoned on the latest of three years after:

221.19 (1) December 31 of the year in which the card is issued or additional funds are deposited
221.20 into it;

221.21 (2) the most recent indication of interest in the card by the apparent owner; or

221.22 (3) a verification or review of the balance by or on behalf of the apparent owner.

221.23 (b) The amount presumed abandoned in a stored-value card is the net card value at the
221.24 time it is presumed abandoned.

221.25 (c) If a holder has reported and remitted to the administrator the net card value on a
221.26 stored-value card presumed abandoned under this section and the stored-value card does
221.27 not have an expiration date, then the holder must honor the card on presentation indefinitely
221.28 and may then request reimbursement from the administrator under section 345A.605.

222.1 **Sec. 7. [345A.208] WHEN SECURITY PRESUMED ABANDONED.**

222.2 (a) Subject to section 345A.210, a security is presumed abandoned after the earlier of
222.3 the following:

222.4 (1) three years after the date a communication sent by the holder by first-class United
222.5 States mail to the apparent owner is returned to the holder undelivered by the United States
222.6 Postal Service or if such communication is re-sent no later than 30 days after the first
222.7 communication is returned, the date the second communication is returned undelivered to
222.8 the holder by the United States Postal Service; or

222.9 (2) five years after the date of the apparent owner's last indication of interest in the
222.10 security.

222.11 (b) If the holder does not send communications to the apparent owner of a security by
222.12 first-class United States mail, the holder shall attempt to confirm the apparent owner's
222.13 interest in the security by sending the apparent owner an e-mail communication not later
222.14 than two years after the apparent owner's last indication of interest in the security; however,
222.15 the holder promptly shall attempt to contact the apparent owner by first-class United States
222.16 mail if:

222.17 (1) the holder does not have information needed to send the apparent owner an e-mail
222.18 communication or the holder believes that the apparent owner's e-mail address in the holder's
222.19 records is not valid;

222.20 (2) the holder receives notification that the e-mail communication was not received; or

222.21 (3) the apparent owner does not respond to the e-mail communication not later than 30
222.22 days after the communication was sent.

222.23 (c) If first-class United States mail sent under subsection (b) is returned to the holder
222.24 undelivered by the United States Postal Service, the security is presumed abandoned in
222.25 accordance with subsection (a)(2).

222.26 (d) If a holder, in the ordinary course of business, receives notice or an indication of the
222.27 death of an apparent owner, the holder shall attempt, not later than 90 days after receipt of
222.28 the notice or indication, to confirm whether the apparent owner is deceased. Notwithstanding
222.29 the standards set forth in subsections (a), (b), and (c), if the holder either receives
222.30 confirmation of the death of the apparent owner in the ordinary course of business or confirms
222.31 the death of the apparent owner under this subsection, then the property shall be presumed
222.32 abandoned two years after the date of the owner's death.

223.1 Sec. 8. **[345A.209] WHEN RELATED PROPERTY PRESUMED ABANDONED.**

223.2 At and after the time property is presumed abandoned under this chapter, any other
223.3 property right or interest accrued or accruing from the property and not previously presumed
223.4 abandoned is also presumed abandoned.

223.5 Sec. 9. **[345A.210] INDICATION OF APPARENT OWNER INTEREST IN**
223.6 **PROPERTY.**

223.7 (a) The period after which property is presumed abandoned is measured from the later:

223.8 (1) the date the property is presumed abandoned under sections 345A.201 to 345A.211;

223.9 or

223.10 (2) the latest indication of interest by the apparent owner in the property.

223.11 (b) Under this chapter, an indication of an apparent owner's interest in property includes:

223.12 (1) a record communicated by the apparent owner to the holder or agent of the holder

223.13 concerning the property or the account in which the property is held;

223.14 (2) an oral communication by the apparent owner to the holder or agent of the holder

223.15 concerning the property or the account in which the property is held, if the holder or its

223.16 agent contemporaneously makes and preserves a record of the fact of the apparent owner's

223.17 communication;

223.18 (3) presentment of a check or other instrument of payment of a dividend, interest payment,

223.19 or other distribution, or evidence of receipt of a distribution made by electronic or similar

223.20 means, with respect to an account, underlying security, or interest in a business association.

223.21 (4) activity directed by an apparent owner in the account in which the property is held,

223.22 including accessing the account or information concerning the account, or a direction by

223.23 the apparent owner to increase, decrease, or otherwise change the amount or type of property

223.24 held in the account;

223.25 (5) a deposit into or withdrawal from an account at a financial organization, except for

223.26 an automatic debit or credit previously authorized by the apparent owner or an automatic

223.27 reinvestment of dividends or interest; and

223.28 (6) subject to subsection (e), payment of a premium on an insurance policy.

223.29 (c) An action by an agent or other representative of an apparent owner, other than the

223.30 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the

223.31 apparent owner.

224.1 (d) A communication with an apparent owner by a person other than the holder or the
224.2 holder's representative is not an indication of interest in the property by the apparent owner
224.3 unless a record of the communication evidences the apparent owner's knowledge of a right
224.4 to the property.

224.5 (e) If the insured dies or the insured or beneficiary of an insurance policy otherwise
224.6 becomes entitled to the proceeds before depletion of the cash surrender value of the policy
224.7 by operation of an automatic premium loan provision or other nonforfeiture provision
224.8 contained in the policy, the operation does not prevent the policy from maturing or
224.9 terminating.

224.10 (f) If the apparent owner has other property with the holder to which section 345A.201,
224.11 paragraph (6), applies, the activity directed by the apparent owner toward any other accounts,
224.12 including but not limited to loan accounts, at the financial organization holding an inactive
224.13 account of the apparent owner shall be an indication of interest in all such accounts if:

224.14 (1) the apparent owner engages in one or more of the following activities:

224.15 (A) the apparent owner undertakes one or more of the actions described in subsection
224.16 (b) regarding an account that appears on a consolidated statement with the inactive account;

224.17 (B) the apparent owner increases or decreases the amount of funds in any other account
224.18 the apparent owner has with the financial organization; or

224.19 (C) the apparent owner engages in any other relationship with the financial organization,
224.20 including payment of any amounts due on a loan; and

224.21 (2) the mailing address for the apparent owner in the financial organization's records is
224.22 the same for both the inactive account and the active account.

224.23 **Sec. 10. [345A.211] KNOWLEDGE OF DEATH OF INSURED OR ANNUITANT.**

224.24 (a) In this section, "death master file" ("DMF") means the United States Social Security
224.25 Administration Death Master File or other database or service that is at least as
224.26 comprehensive as the United States Social Security Administration Death Master File for
224.27 determining that an individual reportedly has died.

224.28 (b) With respect to a life or endowment insurance policy or annuity contract for which
224.29 an amount is owed on proof of death, but which has not matured by proof of death of the
224.30 insured or annuitant, the company has knowledge of the death of an insured or annuitant
224.31 when:

225.1 (1) the company receives a death certificate or court order determining that the insured
225.2 or annuitant has died;

225.3 (2) the company receives notice of the death of the insured or annuitant from the
225.4 administrator or an unclaimed property administrator of another state, a beneficiary, a policy
225.5 owner, a relative of the insured, a representative under the Probate Act of 1975, or an
225.6 executor or other legal representative of the insured's or annuitant's estate and validates the
225.7 death of the insured or annuitant;

225.8 (3) the company conducts a comparison for any purpose between a DMF and the names
225.9 of some or all of the company's insureds or annuitants, finds a match that provides notice
225.10 that the insured or annuitant has died, and validates the death; or

225.11 (4) the administrator or the administrator's agent conducts a comparison for the purpose
225.12 of finding matches during an examination conducted under this chapter between a DMF
225.13 and the names of some or all of the company's insureds or annuitants, and finds a match
225.14 that provides notice that the insured or annuitant has died.

225.15 (c) A holder shall perform a comparison of its insureds' in-force policies, annuity
225.16 contracts, and retained asset accounts against a DMF on at least a semiannual basis by using
225.17 the full DMF once and thereafter using DMF updated files for future comparisons to identify
225.18 potential matches of its insureds.

225.19 (d) A death master file match under subsection (b)(3) or (4) occurs if the criteria for an
225.20 exact or partial match are satisfied.

225.21 (1) an exact match occurs when the Social Security number, first and last name, and
225.22 date of birth contained in the holder's records matches exactly to the data contained in the
225.23 DMF;

225.24 (2) a partial match occurs in any of the following circumstances:

225.25 (A) when the Social Security number contained in the data found in the holder's records
225.26 matches exactly or in accordance with the fuzzy match criteria listed below to the Social
225.27 Security number contained in the DMF, the first and last names match either exactly or in
225.28 accordance with the fuzzy match criteria listed below, and the date of birth matches exactly
225.29 or in accordance with the fuzzy match criteria listed below;

225.30 (B) when the holder's records do not include a Social Security number or where the
225.31 Social Security number is incomplete or otherwise invalid, and there is a first name, last
225.32 name, and date of birth combination in the holder's data that is a match against the data
225.33 contained in the DMF where the first and last names match either exactly or in accordance

226.1 with the fuzzy match criteria listed below and the date of birth matches exactly or in
226.2 accordance with the fuzzy match criteria listed below;

226.3 (C) if there is more than one potentially matched individual returned as a result of the
226.4 process described in paragraphs (A) and (B) above, the holder shall search the Social Security
226.5 numbers obtained from the DMF for the potential matched individuals against Accurint for
226.6 Insurance or an equivalent database. If a search of those databases shows that the DMF
226.7 Social Security number is listed at the address in the holder's records for the insured, a
226.8 partial match will be considered to have been made only for individuals with a matching
226.9 address;

226.10 (D) fuzzy match criteria includes the following:

226.11 (i) a first name fuzzy match includes one or more of the following: a nickname; an initial
226.12 instead of a full first name; accepted industry standard phonetic name-matching algorithm;
226.13 data entry mistakes with a maximum difference of one character with at least five characters
226.14 in length; a first and last name are provided and cannot be reliably distinguished from one
226.15 another; use of interchanged first name and middle name; a misused compound name; and
226.16 the use of a "Mrs." in conjunction with a spouse's name where the date of birth and Social
226.17 Security number match exactly and the last name matches exactly or in accordance with
226.18 the fuzzy match criteria listed herein;

226.19 (ii) a last name fuzzy match includes one or more of the following: Anglicized forms
226.20 of last names; compound last name; blank spaces in last name; accepted industry standard
226.21 phonetic name-matching algorithm; a first and last name are provided and cannot be reliably
226.22 distinguished from one another; use of apostrophe or other punctuation; data entry mistakes
226.23 with a maximum difference of one character for last name with at least eight characters in
226.24 length; and married female last name variations;

226.25 (iii) a date of birth fuzzy match includes one of the following: two dates with a maximum
226.26 of two digits in difference, but only one entry mistake per full date is allowable; transposition
226.27 of the month and date portion of the date of birth; if the holder's records do not contain a
226.28 complete date of birth, then a fuzzy match date of birth will be found to exist where the data
226.29 available in the holder's records does not conflict with the data contained in the DMF; if
226.30 the holder provided a first and last name match, either exactly or in accordance with the
226.31 fuzzy match criteria herein and the Social Security number matches exactly against the
226.32 DMF, the date of birth is a fuzzy match if the holder provided a date of birth that is within
226.33 two years of the DMF-listed date of birth;

227.1 (iv) a Social Security number fuzzy match includes one of the following: two Social
227.2 Security numbers with a maximum of two digits in difference, any number position; two
227.3 consecutive numbers are transposed; and the Social Security number is less than nine digits
227.4 in length, but at least seven digits, and is entirely embedded within the other Social Security
227.5 number;

227.6 (3) the DMF match does not constitute proof of death for the purpose of submission to
227.7 an insurance company of a claim by a beneficiary, annuitant, or owner of the policy or
227.8 contract for an amount due under an insurance policy or annuity contract;

227.9 (4) the DMF match or validation of the insured's or annuitant's death does not alter the
227.10 requirements for a beneficiary, annuitant, or owner of the policy or contract to make a claim
227.11 to receive proceeds under the terms of the policy or contract;

227.12 (5) an insured or an annuitant is presumed dead if the date of the person's death is
227.13 indicated by the DMF match under either subsection (b)(3) or (4), unless the insurer has
227.14 competent and substantial evidence that the person is living, including but not limited to a
227.15 contact made by the insurer with the person or the person's legal representation.

227.16 (e) This chapter does not affect the determination of the extent to which an insurance
227.17 company before the effective date of this chapter had knowledge of the death of an insured
227.18 or annuitant or was required to conduct a DMF comparison to determine whether amounts
227.19 owed by the company on a life or endowment insurance policy or annuity contract were
227.20 presumed abandoned or unclaimed.

227.21 **Sec. 11. [345A.211] DEPOSIT ACCOUNT FOR PROCEEDS OF INSURANCE**
227.22 **POLICY OR ANNUITY CONTRACT.**

227.23 If proceeds payable under a life or endowment insurance policy or annuity contract are
227.24 deposited into an account with check or draft-writing privileges for the beneficiary of the
227.25 policy or contract and, under a supplementary contract not involving annuity benefits other
227.26 than death benefits, the proceeds are retained by the insurance company or the financial
227.27 organization where the account is held, the policy or contract includes the assets in the
227.28 account.

228.1

ARTICLE 19

228.2

UNCLAIMED PROPERTY; RULES FOR TAKING CUSTODY OF PROPERTY

228.3

PRESUMED ABANDONED

228.4

Section 1. [345A.301] ADDRESS OF APPARENT OWNER TO ESTABLISH

228.5

PRIORITY.

228.6

In sections 345A.301 to 345A.307, the following rules apply:

228.7

(1) The last known address of an apparent owner is any description, code, or other

228.8

indication of the location of the apparent owner which identifies the state, even if the

228.9

description, code, or indication of location is not sufficient to direct the delivery of first-class

228.10

United States mail to the apparent owner.

228.11

(2) If the United States postal zip code associated with the apparent owner is for a post

228.12

office located in this state, this state is deemed to be the state of the last known address of

228.13

the apparent owner unless other records associated with the apparent owner specifically

228.14

identify the physical address of the apparent owner to be in another state.

228.15

(3) If the address under paragraph (2) is in another state, the other state is deemed to be

228.16

the state of the last known address of the apparent owner.

228.17

(4) The address of the apparent owner of a life or endowment insurance policy or annuity

228.18

contract or its proceeds is presumed to be the address of the insured or annuitant if a person

228.19

other than the insured or annuitant is entitled to the amount owed under the policy or contract

228.20

and the address of the other person is not known by the insurance company and cannot be

228.21

determined under section 345A.302.

228.22

Sec. 2. [345A.302] ADDRESS OF APPARENT OWNER IN THIS STATE.

228.23

The administrator may take custody of property that is presumed abandoned, whether

228.24

located in this state, another state, or a foreign country, if:

228.25

(1) the last known address of the apparent owner in the records of the holder is in this

228.26

state; or

228.27

(2) the records of the holder do not reflect the identity or last known address of the

228.28

apparent owner, but the administrator has determined that the last known address of the

228.29

apparent owner is in this state.

229.1 Sec. 3. **[345A.303] IF RECORDS SHOW MULTIPLE ADDRESSES OF APPARENT**
229.2 **OWNER.**

229.3 (a) Except as provided in subsection (b), if records of a holder reflect multiple addresses
229.4 for an apparent owner and this state is the state of the last known address, this state may
229.5 take custody of property presumed abandoned, whether located in this state or another state.

229.6 (b) If it appears from records of the holder that the last known address of the apparent
229.7 owner under subsection (a) is a temporary address and this state is the state of the next most
229.8 recently recorded address that is not a temporary address, this state may take custody of the
229.9 property presumed abandoned.

229.10 Sec. 4. **[345A.304] HOLDER DOMICILED IN THIS STATE.**

229.11 (a) Except as provided in subsection (b) or section 345A.302 or 345A.303, the
229.12 administrator may take custody of property presumed abandoned, whether located in this
229.13 state, another state, or a foreign country, if the holder is domiciled in this state, another state,
229.14 or a governmental subdivision, agency, or instrumentality of this state and:

229.15 (1) another state or foreign country is not entitled to the property because there is no last
229.16 known address of the apparent owner or other person entitled to the property in the records
229.17 of the holder; or

229.18 (2) the state or foreign country of the last known address of the apparent owner or other
229.19 person entitled to the property does not provide for custodial taking of the property.

229.20 (b) Property is not subject to custody of the administrator under subsection (a) if the
229.21 property is specifically exempt from custodial taking under the law of this state, another
229.22 state, or foreign country of the last known address of the apparent owner.

229.23 (c) If a holder's state of domicile has changed since the time the property was presumed
229.24 abandoned, the holder's state of domicile in this section is deemed to be the state where the
229.25 holder was domiciled at the time the property was presumed abandoned.

229.26 Sec. 5. **[345A.305] CUSTODY IF TRANSACTION TOOK PLACE IN THIS STATE.**

229.27 Except as provided in sections 345A.302 to 345A.304, the administrator may take custody
229.28 of property presumed abandoned whether located in this state or another state if:

229.29 (1) the transaction out of which the property arose took place in this state;

229.30 (2) the holder is domiciled in a state that does not provide for the custodial taking of the
229.31 property, except that if the property is specifically exempt from custodial taking under the

230.1 law of the state of the holder's domicile, the property is not subject to the custody of the
230.2 administrator; and

230.3 (3) the last known address of the apparent owner or other person entitled to the property
230.4 is unknown or in a state that does not provide for the custodial taking of the property, except
230.5 that if the property is specifically exempt from custodial taking under the law of the state
230.6 of the last known address, the property is not subject to the custody of the administrator.

230.7 **Sec. 6. [345A.306] TRAVELER'S CHECK, MONEY ORDER, OR SIMILAR**
230.8 **INSTRUMENT.**

230.9 The administrator may take custody of sums payable on a traveler's check, money order,
230.10 or similar instrument presumed abandoned to the extent permissible under United States
230.11 Code, title 12, sections 2501 through 2503, as amended.

230.12 **Sec. 7. [345A.307] BURDEN OF PROOF TO ESTABLISH ADMINISTRATOR'S**
230.13 **RIGHT TO CUSTODY.**

230.14 Subject to this chapter, if the administrator asserts a right to custody of unclaimed
230.15 property and there is a dispute concerning such property, the administrator has the initial
230.16 burden to prove:

230.17 (1) the amount of the property;

230.18 (2) the property is presumed abandoned; and

230.19 (3) the property is subject to the custody of the administrator.

230.20 **ARTICLE 20**

230.21 **UNCLAIMED PROPERTY; REPORT BY HOLDER**

230.22 **Section 1. [345A.401] REPORT REQUIRED BY HOLDER.**

230.23 (a) A holder of property presumed abandoned and subject to the custody of the
230.24 administrator shall report in a record to the administrator concerning the property. A holder
230.25 shall submit an electronic report in a format prescribed by, and acceptable to, the
230.26 administrator.

230.27 (b) A holder may contract with a third party to make the report required under subsection
230.28 (a).

230.29 (c) Whether or not a holder contracts with a third party under subsection (b), the holder
230.30 is responsible:

231.1 (1) to the administrator for the complete, accurate, and timely reporting of property
231.2 presumed abandoned; and

231.3 (2) for paying or delivering to the administrator property described in the report.

231.4 **Sec. 2. [345A.402] CONTENT OF REPORT.**

231.5 (a) The report required under section 345A.401 must:

231.6 (1) be signed by or on behalf of the holder and verified as to its completeness and
231.7 accuracy;

231.8 (2) be filed electronically, unless exception is granted, and be in a secure format approved
231.9 by the administrator which protects confidential information of the apparent owner;

231.10 (3) describe the property;

231.11 (4) except for a traveler's check, money order, or similar instrument, contain the name,
231.12 if known, last known address, if known, and Social Security number or taxpayer identification
231.13 number, if known or readily ascertainable, of the apparent owner of property with a value
231.14 of \$50 or more;

231.15 (5) for an amount held or owing under a life or endowment insurance policy or annuity
231.16 contract, contain the name and last known address of the insured, annuitant, or other apparent
231.17 owner of the policy or contract and of the beneficiary;

231.18 (6) for property held in or removed from a safe deposit box, indicate the location of the
231.19 property, and where it may be inspected by the administrator;

231.20 (7) contain the commencement date for determining abandonment under sections
231.21 345A.201 to 345A.211;

231.22 (8) state that the holder has complied with the notice requirements of section 345A.501;

231.23 (9) identify property that is a nonfreely transferable security and explain why it is a
231.24 nonfreely transferable security; and

231.25 (10) contain other information prescribed by the administrator.

231.26 (b) A report under section 345A.401 may include in the aggregate items valued under
231.27 \$50 each. If the report includes items in the aggregate valued under \$50 each, the
231.28 administrator may not require the holder to provide the name and address of an apparent
231.29 owner of an item unless the information is necessary to verify or process a claim in progress
231.30 by the apparent owner.

232.1 (c) A report under section 345A.401 may include personal information as defined in
232.2 section 345A.401(a) about the apparent owner or the apparent owner's property.

232.3 (d) If a holder has changed its name while holding property presumed abandoned or is
232.4 a successor to another person that previously held the property for the apparent owner, the
232.5 holder must include in the report under section 345A.401 its former name or the name of
232.6 the previous holder, if any, and the known name and address of each previous holder of the
232.7 property.

232.8 **Sec. 3. [345A.403] WHEN REPORT TO BE FILED.**

232.9 (a) Except as otherwise provided in subsection (b) and subject to subsection (c), the
232.10 report under section 345A.401 must be filed before November 1 of each year and cover the
232.11 12 months preceding July 1 of that year.

232.12 (b) Subject to subsection (c), the report under section 345A.401 to be filed by an insurance
232.13 company must be filed before May 1 of each year for the immediately preceding calendar
232.14 year.

232.15 (c) Before the date for filing the report under section 345A.401, the holder of property
232.16 presumed abandoned may request the administrator to extend the time for filing. The
232.17 administrator may grant an extension. If the extension is granted, the holder may pay or
232.18 make a partial payment of the amount the holder estimates ultimately will be due. The
232.19 payment or partial payment terminates accrual of interest on the amount paid.

232.20 **Sec. 4. [345A.404] RETENTION OF RECORDS BY HOLDER.**

232.21 A holder required to file a report under section 345A.401 shall retain records for ten
232.22 years after the later of the date the report was filed or the last date a timely report was due
232.23 to be filed, unless a shorter period is provided by rule of the administrator. The holder may
232.24 satisfy the requirement to retain records under this section through an agent. The records
232.25 must contain:

232.26 (1) the information required to be included in the report;

232.27 (2) the date, place, and nature of the circumstances that gave rise to the property right;

232.28 (3) the amount or value of the property;

232.29 (4) the last known address of the apparent owner, if known to the holder; and

232.30 (5) if the holder sells, issues, or provides to others for sale or issue in this state traveler's
232.31 checks, money orders, or similar instruments, other than third-party bank checks, on which

233.1 the holder is directly liable, a record of the instruments while they remain outstanding,
233.2 indicating the state and date of issue.

233.3 **Sec. 5. [345A.405] PROPERTY REPORTABLE AND PAYABLE OR**
233.4 **DELIVERABLE ABSENT OWNER DEMAND.**

233.5 Property is reportable and payable or deliverable under this chapter even if the owner
233.6 fails to make demand or present an instrument or document otherwise required to obtain
233.7 payment.

233.8 **ARTICLE 21**

233.9 **UNCLAIMED PROPERTY; NOTICE TO APPARENT OWNER OF PROPERTY**
233.10 **PRESUMED ABANDONED**

233.11 **Section 1. [345A.501] NOTICE TO APPARENT OWNER BY HOLDER.**

233.12 (a) Subject to subsection (b), the holder of property presumed abandoned shall send to
233.13 the apparent owner notice by first-class United States mail that complies with section
233.14 345A.502 in a format acceptable to the administrator not more than 180 days nor less than
233.15 60 days before filing the report under section 345A.401 if:

233.16 (1) the holder has in its records an address for the apparent owner which the holder's
233.17 records do not disclose to be invalid and is sufficient to direct the delivery of first-class
233.18 United States mail to the apparent owner; and

233.19 (2) the value of the property is \$50 or more.

233.20 (b) If an apparent owner has consented to receive e-mail delivery from the holder, the
233.21 holder shall send the notice described in subsection (a) both by first-class United States
233.22 mail to the apparent owner's last known mailing address and by e-mail, unless the holder
233.23 believes that the apparent owner's e-mail address is invalid.

233.24 (c) The holder of securities presumed abandoned under sections 345A.202, 345A.203,
233.25 or 345A.208 shall send the apparent owner notice by certified United States mail that
233.26 complies with section 345A.502, and in a format acceptable to the administrator, not less
233.27 than 60 days before filing the report under section 345A.401, if:

233.28 (1) the holder has in its records an address for the apparent owner which the holder's
233.29 records do not disclose to be invalid and is sufficient to direct the delivery of United States
233.30 mail to the apparent owner; and

233.31 (2) the value of the property is \$1,000 or more.

234.1 (d) In addition to other indications of an apparent owner's interest in property pursuant
234.2 to section 345A.210, a signed return receipt in response to a notice sent pursuant to this
234.3 section by certified United States mail shall constitute a record communicated by the apparent
234.4 owner to the holder concerning the property or the account in which the property is held.

234.5 **Sec. 2. [345A.502] CONTENTS OF NOTICE BY HOLDER.**

234.6 (a) Notice under section 345A.501 must contain a heading that reads substantially as
234.7 follows: "Notice. The State of Minnesota requires us to notify you that your property may
234.8 be transferred to the custody of the commissioner of commerce if you do not contact us
234.9 before (insert date that is 30 days after the date of this notice)."

234.10 (b) The notice under section 345A.501 must:

234.11 (1) identify the nature and, except for property that does not have a fixed value, the value
234.12 of the property that is the subject of the notice;

234.13 (2) state that the property will be turned over to the administrator;

234.14 (3) state that after the property is turned over to the administrator an apparent owner
234.15 that seeks return of the property must file a claim with the administrator;

234.16 (4) state that property that is not legal tender of the United States may be sold by the
234.17 administrator; and

234.18 (5) provide instructions that the apparent owner must follow to prevent the holder from
234.19 reporting and paying or delivering the property to the administrator.

234.20 **Sec. 3. [345A.503] NOTICE BY ADMINISTRATOR.**

234.21 (a) The administrator shall give notice to an apparent owner that property presumed
234.22 abandoned and that appears to be owned by the apparent owner is held by the administrator
234.23 under this chapter.

234.24 (b) In providing notice under subsection (a), the administrator shall:

234.25 (1) publish every 12 months in at least one newspaper of general circulation in each
234.26 county in this state notice of property held by the administrator which must include:

234.27 (A) the total value of property received by the administrator during the preceding
234.28 12-month period, taken from the reports under section 345A.401;

234.29 (B) the total value of claims paid by the administrator during the preceding 12-month
234.30 period;

235.1 (C) the Internet address of the unclaimed property website maintained by the
235.2 administrator;

235.3 (D) a telephone number and e-mail address to contact the administrator to inquire about
235.4 or claim property; and

235.5 (E) a statement that a person may access the Internet by a computer to search for
235.6 unclaimed property and a computer may be available as a service to the public at a local
235.7 public library; and

235.8 (2) maintain a website or database accessible by the public and electronically searchable
235.9 which contains the names reported to the administrator of all apparent owners for whom
235.10 property is being held by the administrator. The administrator need not list property on such
235.11 website when:

235.12 (A) no owner name was reported;

235.13 (B) a claim has been initiated or is pending for the property;

235.14 (C) the administrator has made direct contact with the apparent owner of the property;
235.15 and

235.16 (D) other instances exist where the administrator reasonably believes exclusion of the
235.17 property is in the best interests of both the state and the owner of the property.

235.18 (c) The website or database maintained under subsection (b)(2) must include instructions
235.19 for filing with the administrator a claim to property and a printable claim form with
235.20 instructions for its use.

235.21 (d) In addition to giving notice under subsection (b), publishing the information under
235.22 subsection (b)(1), and maintaining the website or database under subsection (b)(2), the
235.23 administrator may use other printed publication, telecommunication, the Internet, or other
235.24 media to inform the public of the existence of unclaimed property held by the administrator.

235.25 **ARTICLE 22**

235.26 **UNCLAIMED PROPERTY; TAKING CUSTODY OF PROPERTY BY**
235.27 **ADMINISTRATOR**

235.28 Section 1. **[345A.601] DORMANCY CHARGE.**

235.29 (a) A holder may deduct a dormancy charge from property required to be paid or delivered
235.30 to the administrator if:

236.1 (1) a valid contract between the holder and the apparent owner authorizes imposition of
236.2 the charge for the apparent owner's failure to claim the property within a specified time;
236.3 and

236.4 (2) the holder regularly imposes the charge and regularly does not reverse or otherwise
236.5 cancel the charge.

236.6 (b) The amount of the deduction under subsection (a) is limited to an amount that is not
236.7 unconscionable considering all relevant factors, including the marginal transactional costs
236.8 incurred by the holder in maintaining the apparent owner's property and any services received
236.9 by the apparent owner.

236.10 (c) A holder may not deduct an escheat fee or impose other charges solely by virtue of
236.11 property being reported as presumed abandoned.

236.12 **Sec. 2. [345A.602] PAYMENT OR DELIVERY OF PROPERTY TO**
236.13 **ADMINISTRATOR.**

236.14 (a) Except as otherwise provided in this section, on filing a report under section 345A.401,
236.15 the holder shall pay or deliver to the administrator the property described in the report.

236.16 (b) If property in a report under section 345A.401 is an automatically renewable deposit
236.17 and a penalty or forfeiture in the payment of interest would result from paying the deposit
236.18 to the administrator at the time of the report, the date for payment of the property to the
236.19 administrator is extended until a penalty or forfeiture no longer would result from payment,
236.20 if the holder informs the administrator of the extended date.

236.21 (c) Tangible property in a safe deposit box may not be delivered to the administrator
236.22 until 60 days after filing the report under section 345A.401.

236.23 (d) If property reported to the administrator under section 345A.401 is a security, the
236.24 administrator may:

236.25 (1) make an endorsement, instruction, or entitlement order on behalf of the apparent
236.26 owner to invoke the duty of the issuer, its transfer agent, or the securities intermediary to
236.27 transfer the security; or

236.28 (2) dispose of the security under section 345A.702.

236.29 (e) If the holder of property reported to the administrator under section 345A.401 is the
236.30 issuer of a certificated security, the administrator may obtain a replacement certificate in
236.31 physical or book-entry form under section 336.8-405. An indemnity bond is not required.

237.1 (f) The administrator shall establish procedures for the registration, issuance, method
237.2 of delivery, transfer, and maintenance of securities delivered to the administrator by a holder.

237.3 (g) An issuer, holder, and transfer agent or other person acting under this section under
237.4 instructions of and on behalf of the issuer or holder is not liable to the apparent owner for,
237.5 and must be indemnified by the state against, a claim arising with respect to property after
237.6 the property has been delivered to the administrator.

237.7 (h) A holder is not required to deliver to the administrator a security identified by the
237.8 holder as a nonfreely transferable security. If the administrator or holder determines that a
237.9 security is no longer a nonfreely transferable security, the holder shall deliver the security
237.10 on the next regular date prescribed for delivery of securities under this chapter. The holder
237.11 shall make a determination annually whether a security identified in a report filed under
237.12 section 345A.401 as a nonfreely transferable security is no longer a nonfreely transferable
237.13 security.

237.14 **Sec. 3. [345A.603] EFFECT OF PAYMENT OR DELIVERY OF PROPERTY TO**
237.15 **ADMINISTRATOR.**

237.16 On payment or delivery of property to the administrator under this chapter, the
237.17 administrator, as agent for the state, assumes custody and responsibility for safekeeping the
237.18 property. A holder that pays or delivers property to the administrator in good faith and
237.19 substantially complies with sections 345A.501 and 345A.502 is relieved of liability which
237.20 may arise thereafter with respect to the property so paid or delivered.

237.21 **Sec. 4. [345A.604] RECOVERY OF PROPERTY BY HOLDERS FROM**
237.22 **ADMINISTRATOR.**

237.23 (a) A holder that under this chapter pays money to the administrator may file a claim
237.24 for reimbursement from the administrator of the amount paid if the holder:

237.25 (1) paid the money in error; or

237.26 (2) after paying the money to the administrator, paid money to a person the holder
237.27 reasonably believed entitled to the money.

237.28 (b) If a claim for return of property is made, the holder shall include with the claim
237.29 evidence sufficient to establish that the apparent owner has claimed the property from the
237.30 holder or that the property was delivered by the holder to the administrator in error.

238.1 Sec. 5. **[345A.605] CREDITING INCOME OR GAIN TO OWNER'S ACCOUNT.**

238.2 If property other than money is delivered to the administrator, the owner is entitled to
238.3 receive from the administrator income or gain realized or accrued on the property before
238.4 the property is sold. If the property was interest-bearing, the administrator shall pay interest
238.5 at the lesser of the rate of the weekly average one-year constant maturity treasury yield, as
238.6 published by the Board of Governors of the Federal Reserve System, for the calendar week
238.7 preceding the beginning of the fiscal quarter in which the property was sold or the rate the
238.8 property earned while in the possession of the holder. Interest begins to accrue when the
238.9 property is delivered to the administrator and ends on the earlier of the expiration of ten
238.10 years after its delivery or the date on which payment is made to the owner.

238.11 Sec. 6. **[345A.606] ADMINISTRATOR'S OPTIONS AS TO CUSTODY.**

238.12 (a) The administrator may decline to take custody of property reported under section
238.13 345A.401 if the administrator determines that:

238.14 (1) the property has a value less than the estimated expenses of notice and sale of the
238.15 property; or

238.16 (2) taking custody of the property would be unlawful.

238.17 (b) A holder may pay or deliver property to the administrator before the property is
238.18 presumed abandoned under this chapter if the holder:

238.19 (1) sends the apparent owner of the property notice required by section 345A.501 and
238.20 provides the administrator evidence of the holder's compliance with this paragraph;

238.21 (2) includes with the payment or delivery a report regarding the property conforming to
238.22 section 345A.402; and

238.23 (3) first obtains the administrator's written consent to accept payment or delivery.

238.24 (c) A holder's request for the administrator's consent under subsection (b)(3) must be in
238.25 a record. If the administrator fails to respond to the request not later than 30 days after
238.26 receipt of the request, the administrator is deemed to consent to the payment or delivery of
238.27 the property and the payment or delivery is considered to have been made in good faith.

238.28 (d) On payment or delivery of property under subsection (b), the property is presumed
238.29 abandoned.

239.1 Sec. 7. **[345A.607] DISPOSITION OF PROPERTY HAVING NO SUBSTANTIAL**
239.2 **VALUE; IMMUNITY FROM LIABILITY.**

239.3 (a) If the administrator takes custody of property delivered under this chapter and later
239.4 determines that the property has no substantial commercial value or that the cost of disposing
239.5 of the property will exceed the value of the property, the administrator may return the
239.6 property to the holder or destroy or otherwise dispose of the property.

239.7 (b) An action or proceeding may not be commenced against the state, an agency of the
239.8 state, the administrator, another officer, employee, or agent of the state, or a holder for or
239.9 because of an act of the administrator under this section, except for intentional misconduct
239.10 or malfeasance.

239.11 Sec. 8. **[345A.608] PERIODS OF LIMITATION AND REPOSE.**

239.12 (a) Expiration, before, on, or after the effective date of this chapter, of a period of
239.13 limitation on an owner's right to receive or recover property, whether specified by contract,
239.14 statute, or court order, does not prevent the property from being presumed abandoned or
239.15 affect the duty of a holder under this chapter to file a report or pay or deliver property to
239.16 the administrator.

239.17 (b) An action or proceeding may not be maintained by the administrator to enforce this
239.18 act's reporting, delivery, or payment requirements more than ten years after the holder
239.19 specifically identified the property in a report filed with the administrator, or gave express
239.20 notice to the administrator of a dispute regarding the property. In the absence of such a
239.21 report or other express notice, the period of limitation is tolled. The period of limitation is
239.22 also tolled by filing a fraudulent report.

239.23 **ARTICLE 23**

239.24 **UNCLAIMED PROPERTY; SALE OF PROPERTY BY ADMINISTRATOR**

239.25 Section 1. **[345A.701] PUBLIC SALE OF PROPERTY.**

239.26 (a) Subject to section 345A.702, not earlier than three years after receipt of property
239.27 presumed abandoned, the administrator may sell the property.

239.28 (b) Before selling property under subsection (a), the administrator shall give notice to
239.29 the public of:

239.30 (1) the date of the sale; and

239.31 (2) a reasonable description of the property.

240.1 (c) A sale under subsection (a) must be to the highest bidder:

240.2 (1) at public sale at a location in this state which the administrator determines to be the
240.3 most favorable market for the property;

240.4 (2) on the Internet; or

240.5 (3) on another forum the administrator determines is likely to yield the highest net
240.6 proceeds of sale.

240.7 (d) The administrator may decline the highest bid at a sale under this section and reoffer
240.8 the property for sale if the administrator determines the highest bid is insufficient.

240.9 (e) If a sale held under this section is to be conducted other than on the Internet, the
240.10 administrator must publish at least one notice of the sale, at least two weeks but not more
240.11 than five weeks before the sale, in a newspaper of general circulation in the county in which
240.12 the property is sold. For purposes of this subsection, the reasonable description of property
240.13 to be sold required by subsection (b) may be satisfied by posting such information on the
240.14 administrator's website so long as the newspaper notice includes the website address where
240.15 such information is posted.

240.16 **Sec. 2. [345A.702] DISPOSAL OF SECURITIES.**

240.17 (a) The administrator may not sell or otherwise liquidate a security until one year after
240.18 the administrator receives the security, unless requested to do so by the owner of the security
240.19 in making a claim for the property.

240.20 (b) The administrator may not sell a security listed on an established stock exchange for
240.21 less than the price prevailing on the exchange at the time of sale. The administrator may
240.22 sell a security not listed on an established exchange by any commercially reasonable method.

240.23 **Sec. 3. [345A.704] PURCHASER OWNS PROPERTY AFTER SALE.**

240.24 A purchaser of property at a sale conducted by the administrator under this chapter takes
240.25 the property free of all claims of the owner, a previous holder, or a person claiming through
240.26 the owner or holder. The administrator shall execute documents necessary to complete the
240.27 transfer of ownership to the purchaser.

ARTICLE 24**UNCLAIMED PROPERTY; ADMINISTRATION OF PROPERTY****Section 1. [345A.801] DEPOSIT OF FUNDS BY ADMINISTRATOR.**

(a) The administrator shall deposit in the general fund all funds received under this chapter, including proceeds from the sale of property under sections 345A.701 to 345A.704, except:

(1) expenses of disposition of property delivered to the administrator under this chapter;

(2) expenses incurred in examining records of or collecting property from a putative holder or holder; and

(3) as otherwise provided in this chapter.

Sec. 2. [345A.802] ADMINISTRATOR TO RETAIN RECORDS OF PROPERTY.

The administrator shall:

(1) record and retain the name and last known address of each person shown on a report filed under section 345A.401 to be the apparent owner of property delivered to the administrator;

(2) record and retain the name and last known address of each insured or annuitant and beneficiary shown on the report;

(3) for each policy of insurance or annuity contract listed in the report of an insurance company, record and retain the policy or account number, the name of the company, and the amount due or paid; and

(4) for each apparent owner listed in the report, record and retain the name of the holder that filed the report and the amount due or paid.

ARTICLE 25**UNCLAIMED PROPERTY; HEARINGS, PROCEDURE, AND JUDICIAL REVIEW**

Section 1. Minnesota Statutes 2018, section 345.515, is amended to read:

345.515 AGREEMENTS TO LOCATE REPORTED PROPERTY.

It is unlawful for a person to seek or receive from another person or contract with a person for a fee or compensation for locating property, ~~knowing it to have been reported or paid or delivered to the commissioner pursuant to chapter 345~~ prior to 24 months after the date the property is paid or delivered to the ~~commissioner~~ administrator.

242.1 ~~No~~ An agreement entered into after 24 months after the date the property is paid or
242.2 delivered to the commissioner is valid only if a person thereby undertakes to locate property
242.3 included in a report for a fee or other compensation exceeding ten percent of the value of
242.4 the recoverable property unless the agreement is in writing and is signed by the owner and,
242.5 discloses the nature and value of the property and the name and address of the holder thereof
242.6 as such facts have been reported, and provides for compensation in an amount that is no
242.7 more than 15 percent of the amount collected. Nothing in this section shall be construed to
242.8 prevent an owner from asserting at any time that an agreement to locate property is based
242.9 upon an excessive or unjust consideration.

242.10 Sec. 2. Minnesota Statutes 2018, section 345.53, is amended by adding a subdivision to
242.11 read:

242.12 Subd. 3. **Failure of person examined to retain records.** If a person subject to
242.13 examination under this chapter does not retain the records required by section 345A.404,
242.14 the administrator may determine the value of property due using a reasonable method of
242.15 estimation based on all information available to the administrator, including extrapolation
242.16 and use of statistical sampling when appropriate and necessary. A payment made based on
242.17 estimation under this section is a penalty for failure to maintain the records required by
242.18 section 345A.404, and does not relieve a person from an obligation to report and deliver
242.19 property to a state in which the holder is domiciled.

242.20

ARTICLE 26

242.21

BROADBAND GRANT PROGRAM

242.22 Section 1. **BROADBAND GRANT PROGRAM; APPROPRIATION.**

242.23 \$35,000,000 in fiscal year 2020 and \$35,000,000 in fiscal year 2021 are appropriated
242.24 from the general fund to the commissioner of employment and economic development for
242.25 deposit in the border-to-border broadband fund account under Minnesota Statutes, section
242.26 116J.396. The appropriation is onetime and must be used for grants and the purposes specified
242.27 under Minnesota Statutes, section 116J.395.

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

242.29

ARTICLE 27

242.30

ENERGY APPROPRIATIONS

242.31 Section 1. **ENERGY APPROPRIATIONS.**

243.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 243.2 and for the purposes specified in this article. The appropriations are from the general fund,
 243.3 or another named fund, and are available for the fiscal years indicated for each purpose.
 243.4 The figures "2020" and "2021" used in this article mean that the appropriations listed under
 243.5 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.
 243.6 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"
 243.7 is fiscal years 2020 and 2021.

APPROPRIATIONS

Available for the Year

Ending June 30

2020

2021

243.12 **Sec. 2. DEPARTMENT OF COMMERCE**

243.13 **Subdivision 1. Total Appropriation** \$ **7,258,000** \$ **5,465,000**

243.14 **Appropriations by Fund**

243.15 **General** **6,202,000** **4,409,000**

243.16 **Petroleum Tank** **1,056,000** **1,056,000**

243.17 **Subd. 2. Energy Resources** **6,202,000** **4,409,000**

243.18 **(a) \$150,000 each year is to remediate**
 243.19 **vermiculate insulation from households that**
 243.20 **are eligible for weatherization assistance under**
 243.21 **Minnesota Statutes, section 216C.264.**
 243.22 **Remediation must be done in conjunction with**
 243.23 **federal weatherization assistance program**
 243.24 **services.**

243.25 **(b) \$832,000 each year is for energy regulation**
 243.26 **and planning unit staff.**

243.27 **(c) \$525,000 the first year is for**
 243.28 **reimbursement of litigation costs resulting**
 243.29 **from the lawsuit filed by North Dakota over**
 243.30 **provisions in chapter 216H.**

243.31 **(d) \$8,000 the first year is for transfer to the**
 243.32 **commissioner of natural resources to develop**
 243.33 **a plan for converting brome and other**

244.1 grasslands on state-owned lands to restored
244.2 prairie to provide additional carbon
244.3 sequestration. The plan must:
244.4 (1) identify lands available for conversion,
244.5 excluding tax-forfeited lands;
244.6 (2) require that the prairie restorations meet
244.7 applicable Board of Water and Soil Resources'
244.8 native vegetation establishment and
244.9 enhancement guidelines; and
244.10 (3) identify the funding and activities
244.11 necessary to achieve all initial plantings by
244.12 2030.
244.13 (e) \$300,000 the first year and \$300,000 the
244.14 second year are for grants to schools to install
244.15 solar energy systems on or adjacent to schools
244.16 located outside the electric retail service
244.17 territory of the public utility subject to
244.18 Minnesota Statutes, section 116C.779,
244.19 subdivision 1. In fiscal year 2022 and beyond,
244.20 the base amount is \$391,000.
244.21 (f) \$30,000 the first year and \$29,000 the
244.22 second year are for the development of a
244.23 financial incentive to encourage utilities to
244.24 invest in energy conservation measures in
244.25 residences after achieving their 1.75 percent
244.26 energy-savings goal.
244.27 (g) \$547,000 the first year is for transfer to the
244.28 Board of Regents of the University of
244.29 Minnesota to conduct a study producing
244.30 climate model projections through the rest of
244.31 this century for three-square-mile blocks
244.32 covering the entire state of Minnesota. This is
244.33 a onetime appropriation.

245.1 (h) \$100,000 the first year is for a study by an
245.2 independent consultant selected through a
245.3 request for proposal process to produce a
245.4 report analyzing the potential costs and
245.5 benefits of energy storage systems, as defined
245.6 in Minnesota Statutes, section 216B.2422,
245.7 subdivision 1, in Minnesota. The study may
245.8 also include scenarios examining energy
245.9 storage systems that are not capable of being
245.10 controlled by a utility. The commissioner must
245.11 engage a broad group of Minnesota
245.12 stakeholders, including electric utilities and
245.13 others, to develop and provide information for
245.14 the report. The study must:
245.15 (1) identify and measure the different potential
245.16 costs and savings produced by energy storage
245.17 system deployment, including but not limited
245.18 to:
245.19 (i) generation, transmission, and distribution
245.20 facilities asset deferral or substitution;
245.21 (ii) impacts on ancillary services costs;
245.22 (iii) impacts on transmission and distribution
245.23 congestion;
245.24 (iv) impacts on peak power costs;
245.25 (v) impacts on emergency power supplies
245.26 during outages;
245.27 (vi) impacts on curtailment of renewable
245.28 energy generators; and
245.29 (vii) reduced greenhouse gas emissions;
245.30 (2) analyze and estimate the:
245.31 (i) costs and savings to customers that deploy
245.32 energy storage systems;

246.1 (ii) impact on the utility's ability to integrate
 246.2 renewable resources;
 246.3 (iii) impact on grid reliability and power
 246.4 quality; and
 246.5 (iv) effect on retail electric rates over the
 246.6 useful life of a given energy storage system
 246.7 compared to providing the same services using
 246.8 other facilities or resources;
 246.9 (3) consider the findings of the analysis
 246.10 conducted by the Midcontinent Independent
 246.11 System Operator on energy storage capacity
 246.12 accreditation and participation in regional
 246.13 energy markets, including updates of the
 246.14 analysis; and
 246.15 (4) include case studies of existing energy
 246.16 storage applications currently providing the
 246.17 benefits described in clauses (1) and (2).
 246.18 The commissioner of commerce must submit
 246.19 the study to the chairs and ranking minority
 246.20 members of the senate and house of
 246.21 representatives committees with jurisdiction
 246.22 over energy policy and finance by December
 246.23 31, 2019.

246.24 (i) \$31,000 the first year and \$31,000 the
 246.25 second year are for grants for electric vehicle
 246.26 charging stations under Minnesota Statutes,
 246.27 section 216C.403. In fiscal year 2022 and
 246.28 beyond, the base amount is \$30,000.

246.29 Subd. 3. **Petroleum Tank Release Compensation**
 246.30 **Board**

1,056,000

1,056,000

246.31 This appropriation is from the petroleum tank
 246.32 fund.

246.33 Sec. 3. **PUBLIC UTILITIES COMMISSION** \$

7,793,000 \$

7,793,000

247.1 (a) \$21,000 each year is to process utility
247.2 applications to install equipment crossing a
247.3 railroad right-of-way.

247.4 (b) \$300,000 each year is to enhance the
247.5 commission's decision-making capability.

247.6 **ARTICLE 28**
247.7 **ENERGY PROGRAMS**

247.8 Section 1. Minnesota Statutes 2018, section 216B.62, subdivision 3b, is amended to read:

247.9 Subd. 3b. **Assessment for department regional and national duties.** In addition to
247.10 other assessments in subdivision 3, the department may assess up to \$500,000 per fiscal
247.11 year for performing its duties under section 216A.07, subdivision 3a. The amount in this
247.12 subdivision shall be assessed to energy utilities in proportion to their respective gross
247.13 operating revenues from retail sales of gas or electric service within the state during the last
247.14 calendar year and shall be deposited into an account in the special revenue fund and is
247.15 appropriated to the commissioner of commerce for the purposes of section 216A.07,
247.16 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
247.17 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
247.18 an "energy utility" means public utilities, generation and transmission cooperative electric
247.19 associations, and municipal power agencies providing natural gas or electric service in the
247.20 state. ~~This subdivision expires June 30, 2018.~~

247.21 **EFFECTIVE DATE.** This section is revived and reenacted retroactively from June 29,
247.22 2018, except that the department is prohibited from making an assessment under this
247.23 subdivision to finance the performance of any duties that occurred between June 30, 2018,
247.24 and the date this section is enacted.

247.25 Sec. 2. **[216C.375] SOLAR FOR SCHOOLS PROGRAM.**

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

247.28 (b) "Developer" means an entity that installs a solar energy system on a school building
247.29 awarded a grant under this section.

247.30 (c) "Energy storage system" means a commercially available technology capable of:

247.31 (1) absorbing and storing electrical energy; and

248.1 (2) dispatching stored electrical energy at a later time.

248.2 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

248.3 (e) "School" means a school that operates as part of an independent or special school
248.4 district.

248.5 (f) "School district" means an independent or special school district.

248.6 (g) "Solar energy system" means photovoltaic or solar thermal devices installed alone
248.7 or in combination with an energy storage system.

248.8 Subd. 2. **Establishment; purpose.** A solar for schools program is established in the
248.9 Department of Commerce. The purpose of the program is to provide grants to (1) stimulate
248.10 the installation of solar energy systems on or adjacent to school buildings by reducing the
248.11 cost of solar energy systems, and (2) enable schools to use the solar energy system as a
248.12 teaching tool that is integrated into the school's curriculum.

248.13 Subd. 3. **Establishment of account.** A solar for schools program account is established
248.14 in the special revenue fund. Money received from the general fund must be transferred to
248.15 the commissioner of commerce and credited to the account.

248.16 Subd. 4. **Expenditures.** (a) Money in the account may be used only:

248.17 (1) for grant awards made under this section; and

248.18 (2) to pay the reasonable costs incurred by the department to administer this section.

248.19 (b) Grant awards made with funds in the account must be used only for grants for solar
248.20 energy systems installed on or adjacent to school buildings receiving retail electric service
248.21 from a utility that is not subject to section 116C.779, subdivision 1.

248.22 Subd. 5. **Eligible system.** (a) A grant may be awarded to a school under this section
248.23 only if the solar energy system that is the subject of the grant:

248.24 (1) is installed on or adjacent to the school building that consumes the electricity generated
248.25 by the solar energy system, on property within the service territory of the utility currently
248.26 providing electric service to the school building; and

248.27 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
248.28 estimated annual electricity consumption of the school building where the solar energy
248.29 system is installed.

248.30 (b) A school district that receives a rebate or other financial incentive under section
248.31 216B.241 for a solar energy system and that demonstrates considerable need for financial

249.1 assistance, as determined by the commissioner, is eligible for a grant under this section for
249.2 the same solar energy system.

249.3 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
249.4 to utilities, schools, and developers who wish to apply for a grant under this section on
249.5 behalf of a school.

249.6 (b) A utility or developer must submit an application to the commissioner on behalf of
249.7 a school on a form prescribed by the commissioner. The form must include, at a minimum,
249.8 the following information:

249.9 (1) the capacity of the proposed solar energy system and the amount of electricity that
249.10 is expected to be generated;

249.11 (2) the current energy demand of the school building where the solar energy generating
249.12 system is to be installed and information regarding any distributed energy resource, including
249.13 subscription to a community solar garden, that currently provides electricity to the school
249.14 building;

249.15 (3) the size of any energy storage system that is proposed to be installed as part of a
249.16 solar energy system;

249.17 (4) a description of any solar thermal devices proposed as part of the solar energy system;

249.18 (5) the total cost to purchase and install the solar energy system and its life-cycle cost,
249.19 including the cost to remove and dispose the system at the end of its life;

249.20 (6) a copy of the proposed contract agreement between the school and the public utility
249.21 or developer, including provisions addressing responsibility for maintenance of the solar
249.22 energy system;

249.23 (7) the school's plan to make the solar energy system serve as a visible learning tool for
249.24 students, teachers, and visitors to the school, including how the solar energy system may
249.25 be integrated into the school's curriculum;

249.26 (8) information that demonstrates the school district's level of need for financial assistance
249.27 available under this section;

249.28 (9) information that demonstrates the readiness of the school to implement the project,
249.29 including but not limited to the availability of the site where the solar energy system is to
249.30 be installed, and the level of the school's engagement with the utility providing electric
249.31 service to the school building where the solar energy system is to be installed on issues
249.32 relevant to the implementation of the project, including metering and other issues;

250.1 (10) with respect to the installation and operation of the solar energy system, the
250.2 willingness and ability of the developer or the public utility to:

250.3 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
250.4 subdivision 6; and

250.5 (ii) adhere to the provisions of section 177.43;

250.6 (11) how the developer or public utility plans to reduce the school's initial capital expense
250.7 to purchase and install the solar energy system, and to provide financial benefits to the
250.8 school from the utilization of federal and state tax credits, utility incentives, and other
250.9 financial incentives; and

250.10 (12) any other information deemed relevant by the commissioner.

250.11 (c) The commissioner must administer an open application process under this section
250.12 at least twice annually.

250.13 (d) The commissioner must develop administrative procedures governing the application
250.14 and grant award process.

250.15 Subd. 7. **Energy conservation review.** At the commissioner's request, a school awarded
250.16 a grant under this section must provide the commissioner information regarding energy
250.17 conservation measures implemented at the school building where the solar energy system
250.18 is to be installed. The commissioner may make recommendations to the school regarding
250.19 cost-effective conservation measures it can implement, and may provide technical assistance
250.20 and direct the school to available financial assistance programs.

250.21 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
250.22 schools to develop and execute projects under this section.

250.23 Subd. 9. **Grant payments.** The commissioner must award a grant from the account
250.24 established under subdivision 3 to a school for the necessary costs associated with the
250.25 purchase and installation of a solar energy system. The amount of the grant must be based
250.26 on the commissioner's assessment of the school's need for financial assistance.

250.27 Subd. 10. **Limitations.** (a) No more than 50 percent of the grant payments awarded to
250.28 schools under this section may be awarded to schools where the proportion of students
250.29 eligible for free and reduced-price lunch under the National School Lunch Program is less
250.30 than 50 percent.

250.31 (b) No more than ten percent of the total amount of grants awarded under this section
250.32 may be awarded to schools that are part of the same school district.

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

251.2 Sec. 3. **[216C.403] ELECTRIC VEHICLE PUBLIC CHARGING STATION GRANT**
251.3 **PROGRAM.**

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

251.6 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

251.7 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
251.8 vehicle's batteries by connecting the electric vehicle to:

251.9 (1) a level two charger that provides a 208- or 240-volt alternating current power source;

251.10 or

251.11 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

251.12 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
251.13 paragraph (b).

251.14 (e) "Public electric vehicle charging station" means an electric vehicle charging station
251.15 located at a publicly available parking space.

251.16 Subd. 2. **Program.** (a) The commissioner must award grants to help fund the installation
251.17 of a network of public electric vehicle charging stations in areas located outside the retail
251.18 electric service area of the public utility subject to section 116C.779, subdivision 1, including
251.19 locations in state and regional parks, trailheads, and park-and-ride facilities. The
251.20 commissioner must issue a request for proposals to entities that have experience installing,
251.21 owning, operating, and maintaining electric vehicle charging stations. The request for
251.22 proposal must establish technical specifications that electric vehicle charging stations are
251.23 required to meet.

251.24 (b) The commissioner must consult with (1) the commissioner of natural resources to
251.25 develop optimal locations for electric vehicle charging stations in state and regional parks,
251.26 and (2) the commissioner of transportation to develop optimal locations for electric vehicle
251.27 charging stations at park-and-ride facilities.

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

251.29 Sec. 4. **RESIDENTIAL ENERGY CONSERVATION FINANCIAL INCENTIVE.**

251.30 (a) In addition to any financial incentive approved under Minnesota Statutes, section
251.31 216B.16, subdivision 6c, the Public Utilities Commission must approve a financial incentive

252.1 designed to encourage a public utility to continue investing in cost-effective conservation
252.2 measures that result in energy savings to residential customers after the public utility has
252.3 achieved annual energy savings for all customers equivalent to 1.75 percent of gross retail
252.4 electric energy sales or 1.2 percent of gross annual retail natural gas sales. A public utility
252.5 is eligible to receive the new incentive developed under this section if the amount of energy
252.6 savings by residential customers contributing to the 1.75 or 1.2 percent level, as applicable,
252.7 equals or exceeds the average amount residential customers saved over the most recent
252.8 three-year period, not counting any savings resulting from the new incentive developed
252.9 under this section. When reviewing and approving the incentive, the Public Utilities
252.10 Commission must ensure the effective involvement of interested parties and must apply the
252.11 criteria established in Minnesota Statutes, section 216B.16, subdivision 6c, paragraph (b).

252.12 (b) By November 1, 2019, the commissioner of commerce must develop and submit to
252.13 the Public Utilities Commission for approval a financial incentive that meets the requirements
252.14 under paragraph (a). The Public Utilities Commission may modify the financial incentive
252.15 submitted under this paragraph.

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

252.17 **Sec. 5. SMALL-AREA CLIMATE MODEL PROJECTIONS FOR MINNESOTA.**

252.18 (a) The Board of Regents of the University of Minnesota must conduct a study that
252.19 produces climate model projections for the entire state of Minnesota, in blocks as small as
252.20 three square miles in area.

252.21 (b) At a minimum, the study must:

252.22 (1) use resources at the Minnesota Supercomputing Institute to analyze high-performing
252.23 climate models under moderate and high greenhouse gas emissions scenarios and develop
252.24 a series of projections of temperature, precipitation, snow cover, and a variety of other
252.25 climate parameters over the rest of this century;

252.26 (2) downscale the climate impact results under clause (1) to areas as small as three square
252.27 miles;

252.28 (3) develop a publicly accessible data portal website to (i) allow other universities,
252.29 nonprofit organizations, businesses, and government agencies to use the model projections,
252.30 and (ii) educate and train users how to make best use of the data;

252.31 (4) incorporate information on how to use the model results in the University of
252.32 Minnesota Extension existing online climate adaptation training; and

253.1 (5) hold at least two "train the trainer" workshops for state agencies, municipalities, and
 253.2 others to educate colleagues how to use and interpret the data for climate adaptation efforts.

253.3 (c) Beginning July 1, 2020, and continuing each July 1 through 2022, the University of
 253.4 Minnesota must provide a written report to the chairs and ranking minority members of the
 253.5 senate and house of representatives committees with primary jurisdiction over agriculture,
 253.6 energy, and environment. The report must document the progress made on the study and
 253.7 study results, and must note any obstacles encountered that could prevent successful
 253.8 completion of the study.

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

253.10

ARTICLE 29

253.11

CLEAN ENERGY AND ENERGY CONSERVATION

253.12 Section 1. Minnesota Statutes 2018, section 13.685, is amended to read:

253.13 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

253.14 Data on customers of municipal electric utilities are private data on individuals or
 253.15 nonpublic data, but may be released to:

253.16 (1) a law enforcement agency that requests access to the data in connection with an
 253.17 investigation;

253.18 (2) a school for purposes of compiling pupil census data;

253.19 (3) the Metropolitan Council for use in studies or analyses required by law;

253.20 (4) a public child support authority for purposes of establishing or enforcing child support;

253.21 ~~or~~

253.22 (5) a person authorized to receive the data under section 216B.078; or

253.23 ~~(5)~~ (6) a person where use of the data directly advances the general welfare, health, or
 253.24 safety of the public; the commissioner of administration may issue advisory opinions
 253.25 construing this clause pursuant to section 13.072.

253.26 Sec. 2. Minnesota Statutes 2018, section 116C.7792, is amended to read:

253.27 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

253.28 The utility subject to section 116C.779 shall operate a program to provide solar energy
 253.29 production incentives for solar energy systems of no more than a total aggregate nameplate
 253.30 capacity of 40 kilowatts ~~direct~~ alternating current per premise. The owner of a solar energy

254.1 system installed before June 1, 2018, is eligible to receive a production incentive under this
254.2 section for any additional solar energy systems constructed at the same customer location,
254.3 provided that the aggregate capacity of all systems at the customer location does not exceed
254.4 40 kilowatts. The program shall be operated for ~~eight~~ nine consecutive calendar years
254.5 commencing in 2014. \$5,000,000 shall be allocated in each of the first four years,
254.6 \$15,000,000 in each of the fifth year, \$10,000,000 and sixth years, \$14,000,000 in each of
254.7 the ~~sixth and seventh~~ and eighth years, and \$5,000,000 in the ~~eighth~~ ninth year from funds
254.8 withheld from transfer to the renewable development account under section 116C.779,
254.9 subdivision 1, paragraphs (b) and (e), and placed in a separate account for the purpose of
254.10 the solar production incentive program operated by the utility and not for any other program
254.11 or purpose. Any unspent amount allocated in the fifth year is available until December 31
254.12 of the sixth year. Any unspent amount remaining at the end of any other allocation year
254.13 must be transferred to the renewable development account. The solar system must be sized
254.14 to less than 120 percent of the customer's on-site annual energy consumption when combined
254.15 with other distributed generation resources and subscriptions provided under section
254.16 216B.1641 associated with the premise. The production incentive must be paid for ten years
254.17 commencing with the commissioning of the system. The utility must file a plan to operate
254.18 the program with the commissioner of commerce. The utility may not operate the program
254.19 until it is approved by the commissioner. A change to the program to include projects up
254.20 to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with
254.21 the commissioner. Any plan approved by the commissioner of commerce must not provide
254.22 an increased incentive scale over prior years unless the commissioner demonstrates that
254.23 changes in the market for solar energy facilities require an increase.

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

254.25 **Sec. 3. [216B.078] CUSTOMER ENERGY DATA.**

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

254.28 (b) "Customer" means a person contracting for or purchasing electric or natural gas
254.29 service from a utility.

254.30 (c) "Customer data" means all data a utility collects, creates, receives, or maintains in
254.31 which a customer is identified or can be identified as the subject of the data. Customer data
254.32 includes energy usage data.

254.33 (d) "Energy usage data" means a customer's account information and the data a utility
254.34 collects from the customer's meter that reflects the quantity, quality, or timing of the

- 255.1 customer's natural gas use, electricity use, or electricity production. Customer energy usage
255.2 data includes but is not limited to data regarding:
- 255.3 (1) the amount and timing of energy use and production;
255.4 (2) energy outages, frequency, intermittency, or shutoffs;
255.5 (3) pricing and rate data applicable to the customer; and
255.6 (4) any other energy usage data used to calculate the customer's bill.
- 255.7 (e) "Summary energy usage data" means statistical records and reports derived from
255.8 energy usage data that do not contain a customer's personally identifiable information.
- 255.9 (f) "Personally identifiable information" means any data in which a customer is identified
255.10 or can be identified as the subject of the data.
- 255.11 (g) "Third party" means a person, other than a customer, who requests customer energy
255.12 usage data or summary energy usage data from the utility that maintains the data.
- 255.13 (h) "Utility" means a public utility, retail municipal utility, or retail cooperative
255.14 association that provides electric or natural gas service to Minnesota customers.
- 255.15 **Subd. 2. Customer access to energy usage data.** (a) A utility must provide a customer
255.16 with access to the customer's own energy usage data.
- 255.17 (b) Access must be convenient for the typical customer. A utility's procedure to access
255.18 energy usage data must be user-friendly. The utility must present the energy usage data in
255.19 a format comprehensible to the typical customer.
- 255.20 (c) A utility must provide access to energy usage data in as close to real-time as
255.21 practicable.
- 255.22 (d) Access to energy usage data must be provided free of charge to the customer, except
255.23 that a utility may charge a fee if a customer requests access to energy usage data in a format
255.24 or standard that differs from the format or standard the utility generally offers to customers.
- 255.25 (e) A utility must notify a customer if it substantially modifies the customer's energy
255.26 usage data. The notification must include a detailed explanation of the changes made to the
255.27 customer's energy usage data.
- 255.28 **Subd. 3. Third-party access to energy usage data.** (a) If a customer provides
255.29 authorization, a utility must provide one or more third parties with access to the customer's
255.30 energy usage data.

256.1 (b) The procedure a utility uses to allow a customer to authorize third-party access to
256.2 energy usage data must be (1) convenient for the typical customer, and (2) available on the
256.3 utility's website and in physical form by mail.

256.4 (c) The scope of the authorization may limit a third party's access to specific elements
256.5 of the customer's energy usage data.

256.6 (d) An authorization to access energy usage data is valid for the period of time specified
256.7 in the written authorization. An authorization may include a period without a specified end
256.8 date.

256.9 (e) A customer may revoke an authorization for third-party access at any time. The
256.10 utility's procedure to revoke authorization must be (1) convenient for the typical customer,
256.11 and (2) available on the utility's website and in physical form by mail.

256.12 (f) Subject to the scope of the authorization, an authorized third party must have the
256.13 same level of access to the customer's energy usage data as the customer.

256.14 (g) To the extent a third party with access to energy usage data under this subdivision
256.15 maintains the data independent of the utility providing access, the third party is subject to
256.16 the data security and privacy requirements under subdivision 6.

256.17 Subd. 4. **Public access to summary energy data.** (a) A utility must prepare and make
256.18 available summary energy usage data upon the written request of any person. The procedure
256.19 a utility uses to allow a person to request summary energy data must be (1) convenient for
256.20 the typical customer, and (2) available on the utility's website. A utility may charge the
256.21 requester a fee to prepare and supply summary energy data.

256.22 (b) Summary energy usage data provided under this subdivision may include aggregated
256.23 sets of customer energy usage data from no less than 15 customers. A single customer's
256.24 energy use must not constitute more than 15 percent of total energy consumption for the
256.25 requested data set. Summary energy usage data may be disaggregated on a per-customer
256.26 basis, provided that the customer's identity is not ascertainable.

256.27 (c) Within ten days of the date a request for summary energy data is received, a utility
256.28 must respond by providing the requester with:

256.29 (1) the summary energy data requested or a reference to responsive summary energy
256.30 data published under paragraph (d);

256.31 (2) a written statement that describes any fee charged and a time schedule for preparing
256.32 the requested summary energy data, including reasons for any time delays; or

257.1 (3) a written statement stating reasons why the utility has determined the requested
257.2 summary energy data cannot be prepared.

257.3 (d) A utility may make summary energy data publicly available on its website.

257.4 Subd. 5. **Fees charged for data.** A utility charging a data access fee authorized by this
257.5 section must:

257.6 (1) base the fee amount on the actual costs incurred by the utility to create and deliver
257.7 the requested data;

257.8 (2) consider the reasonable value to the utility of the data prepared and, if appropriate,
257.9 reduce the fee assessed to the requesting person;

257.10 (3) provide the requesting person with an estimate and explanation of the fee; and

257.11 (4) collect the fee before preparing or supplying the requested data.

257.12 Subd. 6. **Data security and privacy.** (a) A utility must establish appropriate,
257.13 industry-standard safeguards to protect the security of energy usage data it maintains. A
257.14 utility is prohibited from selling, sharing, licensing, or disseminating energy usage data,
257.15 except as authorized under this section or by state or federal law.

257.16 (b) Utilities must implement risk management practices to protect customer data. Risk
257.17 management practices must include but are not limited to practices that:

257.18 (1) identify, analyze, and mitigate cybersecurity risks to customer data;

257.19 (2) reasonably protect against loss and unauthorized use, access, or dissemination of
257.20 customer data;

257.21 (3) implement employee training measures to preserve data integrity; and

257.22 (4) maintain a comprehensive data breach response program to identify, mitigate, and
257.23 resolve an incident that causes or results in the unauthorized use, access, or dissemination
257.24 of customer data. The data breach response program must provide for complete, accurate,
257.25 and timely notice to customers whose customer data may have been compromised.

257.26 (c) If a utility uses a third-party service to maintain or store customer data, the utility
257.27 must ensure that the third-party service implements risk management practices that meet
257.28 the requirements under paragraph (b).

257.29 Subd. 7. **Enforcement.** The commissioner may enforce this section as provided under
257.30 section 45.027.

258.1 Sec. 4. Minnesota Statutes 2018, section 216B.16, is amended by adding a subdivision to
258.2 read:

258.3 Subd. 7e. **Energy storage system pilot projects.** (a) A public utility may petition the
258.4 commission under this section to recover costs associated with implementing an energy
258.5 storage system pilot project. As part of the petition, the public utility must submit a report
258.6 to the commission containing, at a minimum, the following information regarding the
258.7 proposed energy storage system pilot project:

258.8 (1) the storage technology utilized;

258.9 (2) the energy storage capacity and the duration of output at that capacity;

258.10 (3) the proposed location;

258.11 (4) the purchase and installation costs;

258.12 (5) how the project will interact with existing distributed generation resources on the
258.13 utility's grid; and

258.14 (6) the goals the project proposes to achieve, which may include controlling frequency
258.15 or voltage, mitigating transmission congestion, providing emergency power supplies during
258.16 outages, reducing curtailment of existing renewable energy generators, and reducing peak
258.17 power costs.

258.18 (b) A utility may petition the commission to approve a rate schedule that provides for
258.19 the automatic adjustment of charges to recover prudently incurred investments, expenses,
258.20 or costs associated with energy storage system pilot projects approved by the commission
258.21 under this subdivision. A petition filed under this subdivision must include the elements
258.22 listed in section 216B.1645, subdivision 2a, paragraph (b), clauses (1) to (4), and must
258.23 describe the benefits of the pilot project.

258.24 (c) The commission may approve, or approve as modified, a rate schedule filed under
258.25 this subdivision. The rate schedule filed by the public utility may include the elements listed
258.26 in section 216B.1645, subdivision 2a, paragraph (a), clauses (1) to (5).

258.27 (d) For each pilot project that the commission has determined is in the public interest,
258.28 the commission must determine the specific amounts that are eligible for recovery under
258.29 the approved rate schedule within 90 days of the date the specific pilot program receives
258.30 final approval or within 90 days of the date the public utility files for approval of cost
258.31 recovery for the specific pilot program, whichever is later.

259.1 (e) Nothing in this subdivision prohibits or deters the deployment of energy storage
259.2 systems.

259.3 (f) For the purposes of this subdivision:

259.4 (1) "energy storage system" has the meaning given in section 216B.2422, subdivision
259.5 1; and

259.6 (2) "pilot project" means a project that is (i) owned, operated, and controlled by a public
259.7 utility to optimize safe and reliable system operations, and (ii) deployed at a limited number
259.8 of locations in order to assess the technical and economic effectiveness of its operations.

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

259.10 Sec. 5. Minnesota Statutes 2018, section 216B.16, subdivision 13, is amended to read:

259.11 Subd. 13. **Economic and community development.** The commission may allow a
259.12 public utility to recover from ratepayers the expenses incurred (1) for economic and
259.13 community development, and (2) to employ local workers to construct and maintain
259.14 generation facilities that supply power to the utility's customers.

259.15 Sec. 6. Minnesota Statutes 2018, section 216B.1641, is amended to read:

259.16 **216B.1641 COMMUNITY SOLAR GARDEN.**

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

259.19 (b) "Subscriber" means a retail customer of a utility who owns one or more subscriptions
259.20 to a community solar garden interconnected with that utility.

259.21 (c) "Subscription" means a contract between a subscriber and the owner of a community
259.22 solar garden.

259.23 Subd. 2. **Solar garden; project requirements.** (a) The public utility subject to section
259.24 116C.779 shall file by September 30, 2013, a plan with the commission to operate a
259.25 community solar garden program which shall begin operations within 90 days after
259.26 commission approval of the plan. Other public utilities may file an application at their
259.27 election. The community solar garden program must be designed to offset the energy use
259.28 of not less than five subscribers in each community solar garden facility of which no single
259.29 subscriber has more than a 40 percent interest. The owner of the community solar garden
259.30 may be a public utility or any other entity or organization that contracts to sell the output
259.31 from the community solar garden to the utility under section 216B.164. There shall be no

260.1 limitation on the number or cumulative generating capacity of community solar garden
260.2 facilities other than the limitations imposed under section 216B.164, subdivision 4c, or
260.3 other limitations provided in law or regulations.

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

260.12 (c) The solar generation facility must be located in the service territory of the public
260.13 utility filing the plan. Subscribers must be retail customers of the public utility. Subscribers
260.14 must be located in the same county as the solar garden or in a contiguous county ~~contiguous~~
260.15 ~~to where the facility is located.~~, unless:

260.16 (1) the solar garden has a minimum setback of 100 feet from the nearest residential
260.17 property; and

260.18 (2) the owner or operator of the solar garden provides written certification to the
260.19 commission that at least ten percent of the solar garden's electric generating capacity is
260.20 reserved for residential subscribers.

260.21 (d) The public utility must purchase from the community solar garden all energy generated
260.22 by the solar garden. Except as provided under subdivision 7, the purchase shall be at the
260.23 most recent three-year average of the rate calculated annually under section 216B.164,
260.24 subdivision 10, or, until that rate for the public utility has been approved by the commission,
260.25 the applicable retail rate. A solar garden is eligible for any incentive programs offered under
260.26 ~~either section 116C.7792 or section 216C.415.~~ A subscriber's portion of the purchase shall
260.27 be provided by a credit on the subscriber's bill.

260.28 (e) Beginning January 1, 2020, any solar garden application filed with a utility must
260.29 certify that all workers constructing the solar garden will be paid at the prevailing wage
260.30 rate, as defined in section 177.42, subdivision 6.

260.31 **Subd. 3. Solar garden plan; requirements; nonutility status.** ~~(e)~~ (a) The commission
260.32 may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan
260.33 approved by the commission must:

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

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

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

261.8 (4) be consistent with the public interest;

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

261.11 (6) include a program implementation schedule;

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

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

261.14 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
261.15 community solar garden facility shall be considered a utility solely as a result of their
261.16 participation in the community solar garden facility.

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

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

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

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

261.25 Subd. 4. Program administration; enforcement. (a) The Department of Commerce
261.26 must administer the community solar garden program and is responsible for implementing
261.27 all elements of the program. The department's duties under this section include:

261.28 (1) processing community solar garden applications;

261.29 (2) establishing and accepting program fees from applicants and solar garden managers;

261.30 (3) calculating the rate paid to subscribers and submitting the rate to the commission for
261.31 approval;

262.1 (4) ensuring that community solar garden program documents and protocols are available
262.2 to subscribers;

262.3 (5) ensuring that solar garden managers provide adequate notice to subscribers of changes
262.4 in solar garden operations, including but not limited to adjustments in subscriber bill credit
262.5 rates;

262.6 (6) ensuring that a utility conducts the interconnection process in a timely fashion;

262.7 (7) ensuring that the actions of solar garden owners, operators, and subscribers comply
262.8 with this section and orders of the commission; and

262.9 (8) other administrative tasks as determined by the commissioner.

262.10 (b) The commissioner may use the authority granted under section 45.027 to enforce
262.11 any violations related to the duties and responsibilities entrusted to the commissioner under
262.12 this subdivision.

262.13 Subd. 5. **Account established.** A solar garden administrative account is established in
262.14 the special revenue fund. Fees collected under this section must be deposited in and credited
262.15 to the account. Money in the account, including interest, is appropriated to the commissioner
262.16 to administer this section.

262.17 Subd. 6. **Community access project; eligibility.** Any community solar garden established
262.18 under a plan approved by the commission may petition the commission to be designated as
262.19 a community access project. The commission must designate a solar garden as a community
262.20 access project if the solar garden meets the following conditions:

262.21 (1) at least 50 percent of the solar garden's generating capacity is subscribed by residential
262.22 customers;

262.23 (2) the contract between an owner of the solar garden and the public utility that purchases
262.24 the garden's electricity, and any agreement between the utility or owner of the solar garden
262.25 and subscribers, states (i) the owner of the solar garden does not discriminate against or
262.26 screen subscribers based on income or credit score, and (ii) any customer of a utility whose
262.27 community solar garden plan has been approved by the commission under subdivision 3 is
262.28 eligible to become a subscriber;

262.29 (3) the solar garden is operated by an entity that maintains a physical address in Minnesota
262.30 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

263.1 (4) the agreement between the owner of the solar garden and subscribers states the owner
263.2 will adequately publicize and convene at least one meeting annually to provide an opportunity
263.3 for subscribers to address questions to the manager or owner.

263.4 Subd. 7. **Community access project; financial arrangements.** (a) If a solar garden is
263.5 approved by the commission as a community access project:

263.6 (1) the public utility purchasing the electricity generated by the community access project
263.7 may charge the owner of the community access project no more than one cent per watt
263.8 alternating current, based on the solar garden's generating capacity, for any refundable
263.9 deposit the utility requires of a solar garden during the application process;

263.10 (2) the public utility must purchase all energy generated by the community access project
263.11 at the retail rate;

263.12 (3) a subscriber's portion of the energy purchased from a community access project by
263.13 a public utility must be credited to the subscriber's bill; and

263.14 (4) all renewable energy credits generated by the community access project belong to
263.15 subscribers unless the operator:

263.16 (i) contracts to sell the renewable energy credits to a third party, or sell or transfer the
263.17 renewable energy credits to the utility; and

263.18 (ii) discloses the sale or transfer to a subscriber at the time the subscriber enters into a
263.19 subscription.

263.20 (b) If at any time a solar garden approved by the commission as a community access
263.21 project fails to meet the conditions under subdivision 6, the solar garden is no longer subject
263.22 to subdivisions 7 and 8 and must operate under the program rules established by the
263.23 commission for a solar garden that does not qualify as a community access project.

263.24 (c) An owner of a solar garden whose designation as a community access project is
263.25 revoked under this subdivision may reapply to the commission at any time to have its
263.26 designation as a community access project reinstated under subdivision 6.

263.27 Subd. 8. **Community access project; reporting.** (a) The owner of a community access
263.28 project must include the following information in an annual report to the subscribers of the
263.29 community access project and the utility:

263.30 (1) a description of the process by which subscribers can provide input to solar garden
263.31 policy and decision-making;

264.1 (2) the amount of revenues received by the solar garden in the previous year that were
264.2 allocated to categories that include but are not limited to operating costs, debt service, profits
264.3 distributed to subscribers, and profits distributed to others; and

264.4 (3) an analysis of the proportion of subscribers that are low- and moderate-income, and
264.5 a description of one or more of the following methods used to calculate that proportion:

264.6 (i) income verification by subscribers;

264.7 (ii) subscriber evidence that the subscriber or a member of the subscriber's household
264.8 receives assistance from any of the following sources:

264.9 (A) the low-income home energy assistance program;

264.10 (B) Section 8 housing assistance;

264.11 (C) medical assistance;

264.12 (D) the Supplemental Nutrition Assistance Program; or

264.13 (E) the National School Lunch Program;

264.14 (iii) characterization of the census tract in which the subscriber resides as low- or
264.15 moderate-income by the Federal Financial Institutions Examination Council; or

264.16 (iv) other methods approved by the commission.

264.17 Subd. 9. **Commission order.** Within 180 days of the effective date of this act, the
264.18 commission must issue an order incorporating the provisions of this act.

264.19 **EFFECTIVE DATE.** Subdivisions 4 and 5 are effective January 1, 2020. Subdivisions
264.20 1 to 3 and 6 to 9 are effective the day following final enactment.

264.21 Sec. 7. **[216B.1643] SOLAR GARDEN GRANT PROGRAM FOR LOW-INCOME**
264.22 **HOUSEHOLDS.**

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

264.25 (b) "Eligible entity" means a community action agency, as defined in section 256E.31,
264.26 a tribal or county governmental agency, or a non-profit governmental organization that
264.27 administers low-income energy programs for the Department of Commerce.

264.28 (c) "Income-eligible residential household" means a household with an annual income
264.29 that is (1) 50 percent or less of the state median household income, or (2) 200 percent or
264.30 less of the federal poverty level.

265.1 (d) "Solar garden" has the meaning given in section 216B.1641.

265.2 Subd. 2. **Establishment; purpose.** A solar garden grant program for income-eligible
265.3 residential households is established in the Department of Commerce to award grants that
265.4 promote the development of solar gardens for income-eligible residential households. Funds
265.5 in the account are reserved for the purpose of this section and do not lapse.

265.6 Subd. 3. **Eligibility.** (a) A solar garden owner is eligible to receive a grant under this
265.7 section if:

265.8 (1) the new solar garden capacity is 500 kilowatts or less;

265.9 (2) all of the solar garden subscribers are income-eligible residential households, as
265.10 defined through a yearly application provided by the Department of Commerce; and

265.11 (3) the solar garden is operated by an eligible entity or by a third party performing the
265.12 duties under a contract with an eligible entity.

265.13 (b) An eligible entity is responsible for managing the solar garden and must annually
265.14 certify to the commissioner that the solar garden complies with paragraph (a).

265.15 Subd. 4. **Application process; content.** (a) An eligible applicant must submit an
265.16 application to the commissioner on a form designated by the commissioner. The
265.17 commissioner must develop administrative procedures that govern the application, grant
265.18 award process, and ongoing solar garden management requirements.

265.19 (b) An application for a grant under this section must include:

265.20 (1) evidence that the solar garden meets the eligibility requirements under subdivision
265.21 3; and

265.22 (2) any other information requested by the commissioner.

265.23 Subd. 5. **Account established.** A low-income community solar account is established
265.24 as a separate account in the special revenue fund. Money transferred from the renewable
265.25 development account to the commissioner must be deposited in the account. Money from
265.26 the account is appropriated to the commissioner for the purposes of this section.

265.27 Subd. 6. **Limitations.** A grant awarded under this section must not exceed 60 percent
265.28 of the total cost to develop the community solar garden.

265.29 Subd. 7. **Eligible expenditures.** Money from the account established in subdivision 5
265.30 may be expended to: (1) finance, purchase, and install facilities necessary to operate a solar
265.31 garden; and (2) pay reasonable expenses incurred by the department to administer the
265.32 program and certify applicant eligibility on an ongoing basis.

266.1 Sec. 8. Minnesota Statutes 2018, section 216B.1645, subdivision 1, is amended to read:

266.2 Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public
266.3 Utilities Commission shall approve or disapprove power purchase contracts, investments,
266.4 or expenditures entered into or made by the utility to satisfy the wind and biomass mandates
266.5 contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable
266.6 energy objectives and standards set forth in section 216B.1691, including reasonable
266.7 investments and expenditures, net of revenues, made to:

266.8 (1) transmit the electricity generated from sources developed under those sections that
266.9 is ultimately used to provide service to the utility's retail customers, including studies
266.10 necessary to identify new transmission facilities needed to transmit electricity to Minnesota
266.11 retail customers from generating facilities constructed to satisfy the renewable energy
266.12 objectives and standards, provided that the costs of the studies have not been recovered
266.13 previously under existing tariffs and the utility has filed an application for a certificate of
266.14 need or for certification as a priority project under section 216B.2425 for the new
266.15 transmission facilities identified in the studies;

266.16 (2) provide storage facilities for renewable energy generation facilities that contribute
266.17 to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

266.18 (3) develop renewable energy sources from the account required in section 116C.779.

266.19 Sec. 9. Minnesota Statutes 2018, section 216B.1645, subdivision 2, is amended to read:

266.20 Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the
266.21 approved contract or useful life of the investment ~~and~~ expenditures made pursuant to section
266.22 116C.779 ~~shall be~~, and employment of local workers to construct and maintain generation
266.23 facilities that supply power to the utility's customers are recoverable from the ratepayers of
266.24 the utility, to the extent they are not offset by utility revenues attributable to the contracts,
266.25 investments, or expenditures. Upon petition by a public utility, the commission shall approve
266.26 or approve as modified a rate schedule providing for the automatic adjustment of charges
266.27 to recover the expenses or costs approved by the commission under subdivision 1, which,
266.28 in the case of transmission expenditures, are limited to the portion of actual transmission
266.29 costs that are directly allocable to the need to transmit power from the renewable sources
266.30 of energy. The commission may not approve recovery of the costs for that portion of the
266.31 power generated from sources governed by this section that the utility sells into the wholesale
266.32 market.

267.1 Sec. 10. Minnesota Statutes 2018, section 216B.1691, subdivision 1, is amended to read:

267.2 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
267.3 technology" means an energy technology that generates electricity from the following
267.4 renewable energy sources:

267.5 (1) solar;

267.6 (2) wind;

267.7 (3) hydroelectric with a capacity of less than 100 megawatts;

267.8 (4) hydrogen, provided that after January 1, 2010, the hydrogen must be generated from
267.9 the resources listed in this paragraph; or

267.10 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
267.11 system; the predominantly organic components of wastewater effluent, sludge, or related
267.12 by-products from publicly owned treatment works, but not including incineration of
267.13 wastewater sludge to produce electricity; and an energy recovery facility used to capture
267.14 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
267.15 solid waste as a primary fuel.

267.16 (b) "Electric utility" means a public utility providing electric service, a generation and
267.17 transmission cooperative electric association, a municipal power agency, or a power district.

267.18 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
267.19 an electric utility to retail customers of the electric utility or to a distribution utility for
267.20 distribution to the retail customers of the distribution utility. "Total retail electric sales"
267.21 does not include the sale of hydroelectricity supplied by a federal power marketing
267.22 administration or other federal agency, regardless of whether the sales are directly to a
267.23 distribution utility or are made to a generation and transmission utility and pooled for further
267.24 allocation to a distribution utility.

267.25 (d) "Carbon-free" means a technology that generates electricity without emitting carbon
267.26 dioxide.

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

267.28 Sec. 11. Minnesota Statutes 2018, section 216B.1691, subdivision 2b, is amended to read:

267.29 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay
267.30 the implementation of a standard obligation, in whole or in part, if the commission determines
267.31 it is in the public interest to do so. The commission, when requested to modify or delay
267.32 implementation of a standard, must consider:

268.1 (1) the impact of implementing the standard on its customers' utility costs, including the
268.2 economic and competitive pressure on the utility's customers;

268.3 (2) the environmental costs incurred as a result of a delay or modification, based on the
268.4 environmental cost values established in section 216B.2422, subdivision 3;

268.5 (3) the effects of implementing the standard on the reliability of the electric system;

268.6 ~~(3)~~ (4) technical advances or technical concerns;

268.7 ~~(4)~~ (5) delays in acquiring sites or routes due to rejection or delays of necessary siting
268.8 or other permitting approvals;

268.9 ~~(5)~~ (6) delays, cancellations, or nondelivery of necessary equipment for construction or
268.10 commercial operation of an eligible energy technology facility;

268.11 ~~(6)~~ (7) transmission constraints preventing delivery of service; and

268.12 ~~(7)~~ (8) other statutory obligations imposed on the commission or a utility.

268.13 (b) The commission may modify or delay implementation of a standard obligation under
268.14 paragraph (a), clauses (1) to ~~(3)~~ (4), only if it finds implementation would cause significant
268.15 rate impact, requires significant measures to address reliability, would not cause significant
268.16 environmental costs, or raises significant technical issues. The commission may modify or
268.17 delay implementation of a standard obligation under paragraph (a), clauses ~~(4)~~ (5) to ~~(6)~~
268.18 (7), only if it finds that the circumstances described in those clauses were due to
268.19 circumstances beyond an electric utility's control and make compliance not feasible.

268.20 (c) When evaluating transmission capacity constraints under paragraph (a), clause (7),
268.21 the commission must consider:

268.22 (1) whether the utility has, in a timely fashion, undertaken reasonable measures under
268.23 its control and consistent with its obligations under local, state, and federal laws and
268.24 regulations, and its obligations as a member of the Midcontinent Independent System
268.25 Operator, to acquire sites, necessary permit approvals, and necessary equipment to develop
268.26 and construct new transmission lines or upgrade existing transmission lines to transmit
268.27 electricity generated by eligible energy technologies; and

268.28 (2) whether the utility has taken all reasonable operational measures to maximize
268.29 cost-effective electricity delivery from eligible energy technologies in advance of
268.30 transmission availability.

268.31 ~~(b)~~ (d) When considering whether to delay or modify implementation of a standard
268.32 obligation, the commission must give due consideration to a preference for electric generation

269.1 through use of eligible energy technology and to the achievement of the standards set by
269.2 this section.

269.3 ~~(e)~~ (e) An electric utility requesting a modification or delay in the implementation of a
269.4 standard must file a plan to comply with its standard obligation in the same proceeding that
269.5 it is requesting the delay.

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

269.7 Sec. 12. Minnesota Statutes 2018, section 216B.1691, is amended by adding a subdivision
269.8 to read:

269.9 Subd. 2g. Carbon-free standard. Each electric utility subject to subdivision 2a shall
269.10 generate or procure sufficient electricity generated by carbon-free technologies to provide
269.11 its retail customers in Minnesota, or the retail customers of a distribution utility to which
269.12 the electric utility provides wholesale electric service, so that 100 percent of the electric
269.13 utility's total retail electric sales to retail customers in Minnesota is generated by carbon-free
269.14 technologies by the end of 2050.

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

269.16 Sec. 13. Minnesota Statutes 2018, section 216B.1691, subdivision 9, is amended to read:

269.17 Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its
269.18 statutory authority to ensure this section is implemented ~~to maximize~~ in a manner that
269.19 maximizes benefits to all Minnesota citizens, balancing and local workers throughout the
269.20 state. Benefits under this subdivision include but are not limited to:

269.21 (1) the creation of high-quality jobs in Minnesota that pay wages that support families;

269.22 (2) recognition of the rights of workers to organize and unionize;

269.23 (3) ensuring workers have the necessary tools, opportunities, and economic assistance
269.24 to adapt successfully during the energy transition, particularly in communities that host
269.25 retiring power plants or that contain historically marginalized and underrepresented
269.26 populations;

269.27 (4) ensuring all Minnesotans share (i) the benefits of clean and renewable energy, and
269.28 (ii) the opportunity to participate fully in the clean energy economy;

269.29 (5) ensuring air emissions are reduced in communities historically burdened by pollution
269.30 and the impacts of climate change; and

270.1 (6) the provision of affordable electric service to Minnesotans, and particularly to
270.2 low-income consumers.

270.3 (b) The commission must also implement this section in a manner that balances factors
270.4 such as local ownership of or participation in energy production, local job impacts,
270.5 development and ownership of eligible energy technology facilities by independent power
270.6 producers, Minnesota utility ownership of eligible energy technology facilities, the costs
270.7 of energy generation to satisfy the renewable ~~standard~~ and carbon-free standards, and the
270.8 reliability of electric service to Minnesotans.

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

270.10 **Sec. 14. [216B.1697] ENERGY STORAGE SYSTEM; APPLICATION.**

270.11 Subdivision 1. **Definition.** For the purposes of this section, "energy storage system"
270.12 means a commercially available technology that uses mechanical, chemical, or thermal
270.13 processes to:

270.14 (1) store energy and deliver the stored energy for use at a later time; or

270.15 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
270.16 that reduces the demand for electricity at the later time.

270.17 Subd. 2. **Application requirement.** No later than January 1, 2021, each public utility
270.18 providing retail electric service in Minnesota must submit to the commission for review
270.19 and approval an application to install one or more energy storage systems.

270.20 Subd. 3. **Application contents.** (a) Each application submitted under this section must
270.21 contain the following information:

270.22 (1) technical specifications of the energy storage system, including but not limited to:

270.23 (i) the maximum amount of electric output that the energy storage system can provide;

270.24 (ii) the length of time the energy storage system can sustain its maximum output;

270.25 (iii) the location of the project and a description of the analysis conducted to determine
270.26 the location;

270.27 (iv) the needs of the public utility's electric system the proposed energy storage system
270.28 addresses;

270.29 (v) a description of the types of services the energy storage system is expected to provide;

270.30 and

271.1 (vi) a description of the technology required to construct, operate, and maintain the
271.2 energy storage system, including any data or communication system necessary to operate
271.3 the energy storage system;

271.4 (2) the estimated cost of the project, including:

271.5 (i) capital costs;

271.6 (ii) the estimated cost per unit of energy delivered by the energy storage system; and

271.7 (iii) an evaluation of the energy storage system's cost-effectiveness;

271.8 (3) the estimated benefits of the energy storage system to the public utility's electric
271.9 system, including but not limited to:

271.10 (i) deferred investments in generation, transmission, or distribution capacity;

271.11 (ii) reduced need for electricity during times of peak demand;

271.12 (iii) improved reliability of the public utility's transmission or distribution system; and

271.13 (iv) improved integration of the public utility's renewable energy resources;

271.14 (4) how the addition of an energy storage system complements proposed actions of the
271.15 public utility described in its most recent integrated resource plan submitted under section
271.16 216B.2422, to meet expected demand with the lowest-cost combination of resources; and

271.17 (5) any additional information required by the commission.

271.18 (b) A public utility must include in its application an evaluation of the potential to store
271.19 energy in the public utility's electric system, and must identify geographic areas in the public
271.20 utility's service area where the deployment of energy storage systems has the greatest
271.21 potential to achieve the economic benefits identified in paragraph (a), clause (3).

271.22 Subd. 4. **Commission review.** The commission must review each proposal submitted
271.23 under this section, and may approve, reject, or modify the proposal. The commission must
271.24 approve a proposal it determines is in the public interest and reasonably balances the value
271.25 derived from the deployment of an energy storage system for ratepayers and the public
271.26 utility's operations with the costs of procuring, constructing, operating, and maintaining the
271.27 energy storage system.

271.28 Subd. 5. **Cost recovery.** A public utility may recover from ratepayers all costs prudently
271.29 incurred by the public utility to deploy an energy storage system approved by the commission
271.30 under this section, net of any revenues generated by the operation of the energy storage
271.31 system.

272.1 Subd. 6. **Commission authority; orders.** The commission may issue orders necessary
272.2 to implement and administer this section.

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

272.4 Sec. 15. **[216B.1698] INNOVATIVE CLEAN TECHNOLOGIES.**

272.5 (a) For purposes of this section, "innovative clean technology" means advanced energy
272.6 technology that is:

272.7 (1) environmentally superior to technologies currently in use;

272.8 (2) expected to offer energy-related, environmental, or economic benefits; and

272.9 (3) not widely deployed by the utility industry.

272.10 (b) A public utility may petition the commission for authorization to invest in a project
272.11 or projects to deploy one or more innovative clean technologies to further the development,
272.12 commercialization, and deployment of innovative clean technologies for the benefit of utility
272.13 customers.

272.14 (c) The commission may approve a petition under paragraph (b) if it finds:

272.15 (1) the technologies proposed to be deployed are innovative clean technologies;

272.16 (2) the utility is meeting its energy conservation goals under section 216B.241; and

272.17 (3) the petition does not result in a utility spending more than \$5,000,000 per year on
272.18 innovative clean technologies under this section.

272.19 (d) The commission may also permit a public utility to file rate schedules containing
272.20 provisions to automatically adjust charges for public utility service in direct relation to
272.21 changes in prudent costs incurred by a utility under this section, up to \$5,000,000 each year.
272.22 To the extent the utility investment under this section is for a capital asset, the utility may
272.23 request that the asset be included in the utility's rate base.

272.24 Sec. 16. Minnesota Statutes 2018, section 216B.2401, is amended to read:

272.25 **216B.2401 ENERGY SAVINGS AND OPTIMIZATION POLICY GOAL.**

272.26 (a) The legislature finds that energy savings are an energy resource, and that cost-effective
272.27 energy savings are preferred over all other energy resources. In addition, the legislature
272.28 finds that optimizing when and how energy consumers manage energy use can provide
272.29 significant benefits to the consumers and to the utility system as a whole. The legislature
272.30 further finds that cost-effective energy savings and load management programs should be

273.1 procured systematically and aggressively in order to reduce utility costs for businesses and
273.2 residents, improve the competitiveness and profitability of businesses, create more
273.3 energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and
273.4 emissions that cause climate change. Therefore, it is the energy policy of the state of
273.5 Minnesota to achieve annual energy savings ~~equal~~ equivalent to at least ~~1.5~~ 2.5 percent of
273.6 annual retail energy sales of electricity and natural gas through ~~cost-effective energy~~
273.7 ~~conservation improvement programs and rate design, energy efficiency achieved by energy~~
273.8 ~~consumers without direct utility involvement, energy codes and appliance standards, programs~~
273.9 ~~designed to transform the market or change consumer behavior, energy savings resulting~~
273.10 ~~from efficiency improvements to the utility infrastructure and system, and other efforts to~~
273.11 ~~promote energy efficiency and energy conservation.~~ multiple means, including but not
273.12 limited to:

273.13 (1) cost-effective energy conservation improvement programs and efficient fuel-switching
273.14 utility programs under sections 216B.2402 to 216B.241;

273.15 (2) rate design;

273.16 (3) energy efficiency achieved by energy consumers without direct utility involvement;

273.17 (4) advancements in statewide energy codes and cost-effective appliance and equipment
273.18 standards;

273.19 (5) programs designed to transform the market or change consumer behavior;

273.20 (6) energy savings resulting from efficiency improvements to the utility infrastructure
273.21 and system; and

273.22 (7) other efforts to promote energy efficiency and energy conservation.

273.23 (b) A utility is encouraged to design and offer to its customers load management programs
273.24 that enable (1) customers to maximize the economic value gained from the energy purchased
273.25 from the customer's utility service provider, and (2) utilities to optimize the infrastructure
273.26 and generation capacity needed to effectively serve customers and facilitate the integration
273.27 of renewable energy into the energy system. The commissioner must provide a reasonable
273.28 estimate for progress toward this statewide energy-savings goal in the annual report required
273.29 under section 216B.241, subdivision 1c, along with recommendations for administrative or
273.30 legislative initiatives to increase energy savings toward that goal. The commissioner must
273.31 also annually report on the energy productivity of the state's economy by providing an
273.32 estimate of the ratio of economic output produced in the most recently completed calendar
273.33 year to the primary energy inputs used in that year.

274.1 Sec. 17. [216B.2402] DEFINITIONS.

274.2 (a) For the purposes of section 216B.16, subdivision 6b, and sections 216B.2401 to
274.3 216B.241, the terms defined in this section have the meanings given them.

274.4 (b) "Consumer-owned utility" means a municipal utility or a cooperative electric
274.5 association.

274.6 (c) "Cumulative lifetime savings" means the total electric energy or natural gas savings
274.7 in a given year from energy conservation improvements installed in the given year or in
274.8 previous years that are still operational have not reached the end of the improvement's useful
274.9 life.

274.10 (d) "Efficient fuel-switching improvement" means a project that: replaces a fuel used
274.11 by a customer with electricity or natural gas delivered at retail by a utility subject to this
274.12 section, resulting in a net increase in the use of electricity or natural gas and a net decrease
274.13 in source energy consumption on a fuel-neutral basis; and otherwise meets the criteria
274.14 established in section 216B.2403, subdivision 8. An efficient fuel-switching improvement
274.15 requires the installation of equipment that utilizes electricity or natural gas, resulting in a
274.16 reduction or elimination of use of the previous fuel. An efficient fuel-switching improvement
274.17 is not an energy conservation improvement even if it results in a net reduction in electricity
274.18 or natural gas.

274.19 (e) "Energy conservation" means an action that results in a net reduction in electricity
274.20 or natural gas consumption. Energy conservation does not include an efficient fuel-switching
274.21 improvement.

274.22 (f) "Energy conservation improvement" means a project that results in energy efficiency
274.23 or energy conservation. Energy conservation improvement may include waste heat that is
274.24 recovered and converted into electricity, but does not include electric utility infrastructure
274.25 projects approved by the commission under section 216B.1636. Energy conservation
274.26 improvement includes waste heat recovered and used as thermal energy.

274.27 (g) "Energy efficiency" means measures or programs, including energy conservation
274.28 measures or programs, that target consumer behavior, equipment, processes, or devices and
274.29 are designed to produce either an absolute decrease in consumption of electricity or natural
274.30 gas or a decrease in consumption of electric energy or natural gas on a per unit of production
274.31 basis, without reducing the quality or level of service provided to the energy consumer.

274.32 (h) "Fuel" means energy consumed by a retail utility customer. Fuel includes electricity,
274.33 propane, natural gas, heating oil, gasoline, diesel fuel, or steam.

275.1 (i) "Fuel neutral" means an approach that compares the use of various fuels for a given
275.2 end use, using a common metric.

275.3 (j) "Gross annual retail energy sales" means the annual electric sales to all retail customers
275.4 in a utility's or association's Minnesota service territory or natural gas throughput to all retail
275.5 customers, including natural gas transportation customers, on a utility's distribution system
275.6 in Minnesota. Gross annual retail energy sales does not include:

275.7 (1) gas sales to:

275.8 (i) a large energy facility;

275.9 (ii) a large customer facility whose natural gas utility has been exempted by the
275.10 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
275.11 gas sales made to the large customer facility; and

275.12 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
275.13 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
275.14 natural gas sales made to the commercial gas customer facility; or

275.15 (2) electric sales to a large customer facility whose electric utility has been exempted
275.16 by the commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect
275.17 to electric sales made to the large facility.

275.18 (k) "Investments and expenses of a public utility" means the investments and expenses
275.19 incurred by a public utility in connection with an energy conservation improvement.

275.20 (l) "Large customer facility" means all buildings, structures, equipment, and installations
275.21 at a single site that collectively (1) impose a peak electrical demand on an electric utility's
275.22 system of at least 20,000 kilowatts, measured in the same way as the utility that serves the
275.23 customer facility measures electric demand for billing purposes, or (2) consume at least
275.24 500,000,000 cubic feet of natural gas annually. When calculating peak electrical demand,
275.25 a large customer facility may include demand offset by on-site cogeneration facilities and,
275.26 if engaged in mineral extraction, may aggregate peak energy demand from the large customer
275.27 facility's mining processing operations.

275.28 (m) "Large energy facility" has the meaning given in section 216B.2421, subdivision 2,
275.29 clause (1).

275.30 (n) "Lifetime energy savings" means the amount of savings a particular energy
275.31 conservation improvement produces over the improvement's effective useful lifetime.

276.1 (o) "Load management" means an activity, service, or technology to change the timing
276.2 or the efficiency of a customer's use of energy that allows a utility or a customer to (1)
276.3 respond to local and regional energy system conditions, or (2) reduce peak demand for
276.4 electricity or natural gas. Load management that reduces the customer's net annual energy
276.5 consumption is also energy conservation.

276.6 (p) "Low-income household" means a household whose household income is 60 percent
276.7 or less of the state median household income.

276.8 (q) "Low-income programs" means energy conservation improvement programs that
276.9 directly serve the needs of low-income persons, including low-income renters. Multifamily
276.10 buildings of five units or more that are rented by low-income persons are eligible to be
276.11 served through low-income programs, which may include upgrading appliances, upgrading
276.12 heating and air conditioning equipment, and building envelope improvements.

276.13 (r) "Member" has the meaning given in section 308B.005, subdivision 15.

276.14 (s) "Qualifying utility" means a utility that supplies a customer with energy that enables
276.15 the customer to qualify as a large customer facility.

276.16 (t) "Source energy" means the total amount of fuel required for a given purpose,
276.17 considering energy losses in the production, transmission, and delivery of the energy.

276.18 (u) "Waste heat recovered and used as thermal energy" means capturing heat energy
276.19 that would be exhausted or dissipated to the environment from machinery, buildings, or
276.20 industrial processes, and productively using the recovered thermal energy where it was
276.21 captured or distributing it as thermal energy to other locations where it is used to reduce
276.22 demand-side consumption of natural gas, electric energy, or both.

276.23 (v) "Waste heat recovery converted into electricity" means an energy recovery process
276.24 that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines
276.25 or manufacturing or industrial processes, or the reduction of high pressure in water or gas
276.26 pipelines.

276.27 **Sec. 18. [216B.2403] CUSTOMER-OWNED UTILITIES; ENERGY**
276.28 **CONSERVATION AND OPTIMIZATION.**

276.29 Subdivision 1. **Applicability.** This section applies to:

276.30 (1) a cooperative electric association that provides retail service to more than 5,000
276.31 members;

276.32 (2) a municipality that provides electric service to more than 1,000 retail customers; and

277.1 (3) a municipality with more than 1,000,000,000 cubic feet in annual throughput sales
277.2 to natural gas retail customers.

277.3 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
277.4 consumer-owned utility subject to this section has an annual energy-savings goal equivalent
277.5 to 1.5 percent of gross annual retail energy sales. The annual energy-savings goal must be
277.6 met with a minimum of energy savings from energy conservation improvements equivalent
277.7 to at least one percent of the consumer-owned utility's gross annual retail energy sales. The
277.8 balance of energy savings toward the annual energy-savings goal must be achieved by the
277.9 following utility activities:

277.10 (1) energy savings from additional energy conservation improvements;

277.11 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
277.12 1; or

277.13 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
277.14 under subdivision 8.

277.15 (b) Nothing in this section limits a utility's ability to report and recognize savings from
277.16 activities under paragraph (a), clauses (2) and (3), in excess of the utility's annual energy
277.17 savings, provided the utility has met the minimum energy-savings goal from energy
277.18 conservation improvements.

277.19 (c) The energy-savings goals specified in this section must be calculated based on the
277.20 most recent three-year, weather-normalized average. A consumer-owned utility that elects
277.21 to file annual plans may carry forward for up to three years any energy savings in excess
277.22 of its 1.5 percent energy-savings goal in a single year.

277.23 (d) A consumer-owned utility subject to this section is not required to make energy
277.24 conservation improvements that are not cost-effective, even if the improvement is necessary
277.25 to attain the energy-savings goal. A consumer-owned utility subject to this section must
277.26 make reasonable efforts to implement energy conservation improvements above the minimum
277.27 level set under this subdivision if cost-effective opportunities and utility funding are available,
277.28 considering other potential investments the utility plans to make for the benefit of customers
277.29 during the term of the plan filed under subdivision 4.

277.30 (e) A consumer-owned utility may request that the commissioner adjust its minimum
277.31 goal for energy savings from energy conservation improvements specified under paragraph
277.32 (a) for the period of the plan filed under subdivision 4. The request must be made by January

278.1 1 of a year when the utility must file a plan under subdivision 4. The request must be based
278.2 on:

278.3 (1) historical energy conservation improvement program achievements;

278.4 (2) customer class makeup;

278.5 (3) projected load growth;

278.6 (4) an energy conservation potential study that estimates the amount of cost-effective
278.7 energy conservation potential that exists in the utility's service territory;

278.8 (5) the cost-effectiveness and quality of the energy conservation programs offered by
278.9 the utility; and

278.10 (6) other factors the commissioner and consumer-owned utility determine warrant an
278.11 adjustment.

278.12 The commissioner must adjust the savings goal to a level the commissioner determines is
278.13 supported by the record, but must not approve a minimum energy-savings goal from energy
278.14 conservation improvements that is less than one percent of gross annual retail energy sales.

278.15 Subd. 3. **Consumer-owned utility; energy savings investments.** (a) Each cooperative
278.16 electric association and municipality subject to subdivision 2 must spend and invest in the
278.17 following amounts for energy conservation improvements under this subdivision:

278.18 (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas
278.19 and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross
278.20 operating revenues from electric and gas service provided in Minnesota to large electric
278.21 customer facilities; and

278.22 (2) for a cooperative electric association, 1.5 percent of its gross operating revenues
278.23 from service provided in the state, excluding gross operating revenues from service provided
278.24 in the state to large electric customer facilities indirectly through a distribution cooperative
278.25 electric association.

278.26 (b) Each municipality and cooperative electric association subject to this subdivision
278.27 must identify and implement energy conservation improvement spending and investments
278.28 that are appropriate for the municipality or association, except that a municipality or
278.29 association must not spend or invest for energy conservation improvements that directly
278.30 benefit a large energy facility or a large electric customer facility that the commissioner has
278.31 issued an exemption to under section 216B.241, subdivision 1a, paragraph (a).

279.1 Subd. 4. Consumer-owned utility; energy conservation and optimization plans. (a)
279.2 By June 1, 2021, each consumer-owned utility must file with the commissioner an energy
279.3 conservation and optimization plan that describes the programs for energy conservation,
279.4 efficient fuel-switching improvements and load management programs, and other processes
279.5 and programs the utility plans to use to achieve its energy-savings goal. The plan may cover
279.6 a period not to exceed two years. The plan must provide an analysis of the cost-effectiveness
279.7 of the consumer-owned utility's programs offered under the plan, using a list of baseline
279.8 energy- and capacity-savings assumptions developed in consultation with the department.
279.9 An individual utility program may combine elements of energy conservation, load
279.10 management, or efficient fuel-switching. Plans received by June 1 must be evaluated by the
279.11 commissioner based on how well the plan meets the goals set under subdivision 2 by
279.12 December 1 of the same year, including the commissioner's assessment of whether the plan
279.13 is likely to achieve the goals. Beginning June 1, 2022, and every June 1 thereafter, each
279.14 consumer-owned utility must file: (1) an annual update identifying the status of its annual
279.15 plan filed under this subdivision, including (i) total expenditures and investments made to
279.16 date, and (ii) any intended changes to the plan; and (2) a summary of the annual
279.17 energy-savings achievements under a completed plan and a new plan that complies with
279.18 this section.

279.19 (b) In the filings required under paragraph (a), a consumer-owned utility must describe
279.20 and evaluate the programs offered by the utility under the plan, including:

279.21 (1) energy conservation improvements in the previous period and its progress toward
279.22 the minimum energy-savings goal from energy conservation improvements described in
279.23 subdivision 2, including accounting for lifetime savings and cumulative lifetime energy
279.24 savings under the plan. The evaluation must briefly describe each conservation program
279.25 the utility offers or plans to offer, and must specify the energy savings or increased efficiency
279.26 in the use of energy within the service territory of the utility that is the result of the program.
279.27 The commissioner must review each evaluation and make recommendations, where
279.28 appropriate, to the consumer-owned utility to increase the effectiveness of conservation
279.29 improvement activities. The commissioner must consider and may require a consumer-owned
279.30 utility to undertake a cost-effective program suggested by an outside source, including a
279.31 political subdivision, nonprofit corporation, or community organization;

279.32 (2) load management activities, including an analysis of the reduction in peak load
279.33 resulting from the program and an assessment of the cost-effectiveness of each program;
279.34 and

280.1 (3) efficient fuel-switching improvement activities, including an analysis regarding how
280.2 each program meets the criteria specified in subdivision 8 and an assessment of the
280.3 cost-effectiveness of each program. For improvements requiring the deployment of electric
280.4 technologies, the plan must also provide an analysis regarding how the fuel-switching
280.5 improvement is operated in order to facilitate the integration of variable renewable energy
280.6 into the electric system.

280.7 (c) When evaluating the cost-effectiveness of utility programs, the consumer-owned
280.8 utility and the commissioner must consider the costs and benefits to ratepayers, the utility,
280.9 participants, and society. In addition, the commissioner must consider the rate at which the
280.10 consumer-owned utility is increasing its energy savings and expenditures on energy
280.11 conservation, and its lifetime energy savings and cumulative energy savings.

280.12 (d) Each consumer-owned utility subject to this subdivision may annually spend and
280.13 invest up to ten percent of the total amount spent and invested on energy conservation
280.14 improvements under this subdivision on research and development projects that meet the
280.15 definition of energy conservation improvement and that are funded directly by the
280.16 consumer-owned utility.

280.17 (e) A generation and transmission cooperative electric association or municipal power
280.18 agency that provides energy services to consumer-owned utilities may invest in energy
280.19 conservation improvements on behalf of consumer-owned utilities it serves and may fulfill
280.20 the conservation, reporting, and energy-savings goals for any of those consumer-owned
280.21 utilities on an aggregate basis. For consumer-owned utilities electing to aggregate services
280.22 under this paragraph, multiyear plans up to three years may be filed with the commissioner.

280.23 (f) A consumer-owned utility is prohibited from spending for or investing in energy
280.24 conservation improvements that directly benefit a large energy facility or a large electric
280.25 customer facility the commissioner has issued an exemption to under section 216B.241,
280.26 subdivision 1a.

280.27 (g) The energy conservation and optimization plan of each consumer-owned utility
280.28 subject to this section must include activities to improve energy efficiency in the public
280.29 schools served by the utility. At a minimum, those activities must consist of programs to
280.30 update lighting in the school, update the heating and cooling systems of the school, provide
280.31 for building recommissioning, provide building operator training, and provide opportunities
280.32 to educate students, teachers, and staff regarding energy efficiency measures implemented
280.33 at that school.

281.1 Subd. 5. **Low-income programs.** (a) Each consumer-owned utility subject to this section
281.2 must provide energy conservation programs to low-income households. The commissioner
281.3 must evaluate a utility's plans under this section, considering the utility's historic spending
281.4 and participation levels, energy savings resulting from low-income programs, and the number
281.5 of low-income persons residing in the utility's service territory. A municipal utility that
281.6 furnishes gas service must spend at least 0.4 percent of its most recent three-year average
281.7 gross operating revenue from residential customers in Minnesota on low-income programs.
281.8 A consumer-owned utility that furnishes electric service must spend at least 0.4 percent of
281.9 its gross operating revenue from residential customers in Minnesota on low-income programs.
281.10 This requirement applies to each generation and transmission cooperative association's
281.11 members' aggregate gross operating revenue from the sale of electricity to residential
281.12 customers in Minnesota.

281.13 (b) To meet the requirements of paragraph (a), a consumer-owned utility may contribute
281.14 money to the energy and conservation account in section 216B.241, subdivision 2a. An
281.15 energy conservation improvement plan must state the amount, if any, of low-income energy
281.16 conservation improvement funds the utility plans to contribute to the energy and conservation
281.17 account. Contributions must be remitted to the commissioner by February 1 each year.

281.18 (c) The commissioner must establish low-income programs to use money contributed
281.19 to the energy and conservation account under paragraph (b). When establishing low-income
281.20 programs, the commissioner must consult political subdivisions, utilities, and nonprofit and
281.21 community organizations, including organizations engaged in providing energy and
281.22 weatherization assistance to low-income households. Money contributed to the energy and
281.23 conservation account under paragraph (b) must provide programs for low-income households,
281.24 including low-income renters, located in the service territory of the utility or association
281.25 providing the money. The commissioner must record and report expenditures and energy
281.26 savings achieved as a result of low-income programs funded through the energy and
281.27 conservation account in the report required under section 216B.241, subdivision 1c, paragraph
281.28 (f). The commissioner may contract with a political subdivision, nonprofit or community
281.29 organization, public utility, municipality, or cooperative electric association to implement
281.30 low-income programs funded through the energy and conservation account.

281.31 (d) A consumer-owned utility may petition the commissioner to modify its required
281.32 spending under this subdivision if the utility and the commissioner were unable to expend
281.33 the amount required for three consecutive years.

281.34 (e) For purposes of this subdivision, "multifamily building" means a residential building
281.35 with five or more dwelling units. Notwithstanding the definition of low-income household

282.1 in section 216B.2402, for purposes of determining eligibility for multifamily buildings in
282.2 low-income programs, a utility or association may use one or more of the following:

282.3 (1) information demonstrating a multifamily building's units are rented to households
282.4 meeting one of the following criteria:

282.5 (i) household income at or below 200 percent of federal poverty level;

282.6 (ii) household income at or below 60 percent of area median income;

282.7 (iii) occupancy within a building that is certified on the Low Income Rental Classification
282.8 (LIRC) Assessor Report compiled annually by the Minnesota Housing Finance Agency; or

282.9 (iv) occupancy within a building that has a declaration against the property requiring
282.10 that a portion of the units are rented to tenants with an annual household income less than
282.11 or equal to 60 percent of area median income;

282.12 (2) a property's participation in an affordable housing program, including low-income
282.13 housing tax credits (LIHTC), United States Department of Housing and Urban Development
282.14 (HUD) assistance, United States Department of Agriculture (USDA) assistance, Minnesota
282.15 Housing Finance Agency assistance, or local tax abatement for low-income properties; or

282.16 (3) documentation demonstrating that the property is on the waiting list for or currently
282.17 participating in the United States Department of Energy Weatherization Assistance Program.

282.18 Subd. 6. **Recovery of expenses.** The commission must allow a cooperative electric
282.19 association subject to rate regulation under section 216B.026 to recover expenses resulting
282.20 from (1) a plan under this subdivision, and (2) assessments and contributions to the energy
282.21 and conservation account under section 216B.241, subdivision 2a.

282.22 Subd. 7. **Ownership of energy conservation improvement.** An energy conservation
282.23 improvement to or installed in a building under this section, excluding a system owned by
282.24 the consumer-owned utility that is designed to turn off, limit, or vary the delivery of energy,
282.25 is the exclusive property of the building owner, except to the extent that the improvement
282.26 is subject to a security interest in favor of the utility in case of a loan to the building owner.

282.27 Subd. 8. **Criteria for efficient fuel-switching improvements.** A fuel-switching
282.28 improvement is deemed efficient if the commissioner finds the improvement, relative to
282.29 the fuel being displaced:

282.30 (1) results in a net reduction in the cost and amount of source energy consumed for a
282.31 particular use, measured on a fuel-neutral basis;

283.1 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
283.2 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
283.3 improvement installed by an electric utility, the reduction in emissions must be measured
283.4 based on the hourly emissions profile of the utility or the utility's wholesale provider. Where
283.5 applicable, the hourly emissions profile used must be the most recent resource plan approved
283.6 by the commission under section 216B.2422;

283.7 (3) is cost-effective from a societal perspective, considering the costs associated with
283.8 both the old and replacement fuels; and

283.9 (4) is installed and operated in a manner that does not unduly increase the utility's system
283.10 peak demand or require significant new investment in utility infrastructure.

283.11 Subd. 9. **Manner of filing and service.** (a) A consumer-owned utility must submit the
283.12 filings required by this section to the department using the department's electronic filing
283.13 system.

283.14 (b) The submission of a document to the department's electronic filing system constitutes
283.15 service on the department. If a department rule requires service of a notice, order, or other
283.16 document by the department, utility, or interested party upon persons on a service list
283.17 maintained by the department, service may be made by personal delivery, mail, or electronic
283.18 service. Electronic service may be made only to persons on the service list that have
283.19 previously agreed in writing to accept electronic service at an electronic address provided
283.20 to the department for electronic service purposes.

283.21 Subd. 10. **Assessment.** The commission or department may assess utilities subject to
283.22 this section to carry out the purposes of section 216B.241, subdivisions 1d, 1e, and 1f. An
283.23 assessment under this paragraph must be proportionate to the utility's respective gross
283.24 operating revenue from sales of gas or electric service in Minnesota during the previous
283.25 calendar year. Assessments under this subdivision are not subject to the cap on assessments
283.26 under section 216B.62 or any other law.

283.27 Subd. 11. **Waste heat recovery; thermal energy distribution.** Subject to department
283.28 approval, demand-side natural gas or electric energy displaced by use of waste heat recovered
283.29 and used as thermal energy, including the recovered thermal energy from a cogeneration
283.30 or combined heat and power facility, is eligible to be counted toward a consumer-owned
283.31 utility's natural gas or electric savings goals.

284.1 Sec. 19. Minnesota Statutes 2018, section 216B.241, subdivision 1a, is amended to read:

284.2 Subd. 1a. ~~Investment, expenditure, and contribution; public utility~~ Large customer
284.3 facility. ~~(a) For purposes of this subdivision and subdivision 2, "public utility" has the~~
284.4 ~~meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and~~
284.5 ~~invest for energy conservation improvements under this subdivision and subdivision 2 the~~
284.6 ~~following amounts:~~

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

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

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

284.14 ~~For purposes of this paragraph (a), "gross operating revenues" do not include revenues~~
284.15 ~~from large customer facilities exempted under paragraph (b), or from commercial gas~~
284.16 ~~customers that are exempted under paragraph (c) or (e).~~

284.17 ~~(b)~~ (a) The owner of a large customer facility may petition the commissioner to exempt
284.18 both electric and gas utilities serving the large customer facility from the investment and
284.19 expenditure requirements of ~~paragraph (a)~~ a utility's plan under this section or section
284.20 216B.2403 with respect to retail revenues attributable to the large customer facility. The
284.21 filing must include a discussion of the competitive or economic pressures facing the owner
284.22 of the facility and the efforts taken by the owner to identify, evaluate, and implement energy
284.23 conservation and efficiency improvements. A filing submitted on or before October 1 of
284.24 any year must be approved within 90 days and become effective January 1 of the year
284.25 following the filing, unless the commissioner finds that the owner of the large customer
284.26 facility has failed to take reasonable measures to identify, evaluate, and implement energy
284.27 conservation and efficiency improvements. If a facility qualifies as a large customer facility
284.28 solely due to its peak electrical demand or annual natural gas usage, the exemption may be
284.29 limited to the qualifying utility if the commissioner finds that the owner of the large customer
284.30 facility has failed to take reasonable measures to identify, evaluate, and implement energy
284.31 conservation and efficiency improvements with respect to the nonqualifying utility. Once
284.32 an exemption is approved, the commissioner may request the owner of a large customer
284.33 facility to submit, not more often than once every five years, a report demonstrating the
284.34 large customer facility's ongoing commitment to energy conservation and efficiency

285.1 improvement after the exemption filing. The commissioner may request such reports for
285.2 up to ten years after the effective date of the exemption, unless the majority ownership of
285.3 the large customer facility changes, in which case the commissioner may request additional
285.4 reports for up to ten years after the change in ownership occurs. The commissioner may,
285.5 within 180 days of receiving a report submitted under this paragraph, rescind any exemption
285.6 granted under this paragraph upon a determination that the large customer facility is not
285.7 continuing to make reasonable efforts to identify, evaluate, and implement energy
285.8 conservation improvements. A large customer facility that is, under an order from the
285.9 commissioner, exempt from the investment and expenditure requirements of paragraph (a)
285.10 as of December 31, 2010, is not required to submit a report to retain its exempt status, except
285.11 as otherwise provided in this paragraph with respect to ownership changes. No exempt large
285.12 customer facility may participate in a utility conservation improvement program unless the
285.13 owner of the facility submits a filing with the commissioner to withdraw its exemption.

285.14 ~~(e)~~(b) A commercial gas customer that is not a large customer facility and that purchases
285.15 or acquires natural gas from a public utility having fewer than 600,000 natural gas customers
285.16 in Minnesota may petition the commissioner to exempt gas utilities serving the commercial
285.17 gas customer from the investment and expenditure requirements of ~~paragraph (a)~~ a utility's
285.18 plan under this section or section 216B.2403 with respect to retail revenues attributable to
285.19 the commercial gas customer. The petition must be supported by evidence demonstrating
285.20 that the commercial gas customer has acquired or can reasonably acquire the capability to
285.21 bypass use of the utility's gas distribution system by obtaining natural gas directly from a
285.22 supplier not regulated by the commission. The commissioner shall grant the exemption if
285.23 the commissioner finds that the petitioner has made the demonstration required by this
285.24 paragraph.

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

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

285.34 ~~(1) not result in cost-effective energy conservation improvements; or~~

286.1 ~~(2) otherwise~~ the decision is not be in the public interest.

286.2 (e) A public utility is prohibited from spending for or investing in energy conservation
286.3 improvements that directly benefit a large energy facility or a large electric customer facility
286.4 the commissioner has issued an exemption to under this section.

286.5 Sec. 20. Minnesota Statutes 2018, section 216B.241, subdivision 1c, is amended to read:

286.6 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
286.7 energy-saving goals for energy conservation improvement expenditures and shall evaluate
286.8 an energy conservation improvement program on how well it meets the goals set.

286.9 (b) Each individual public utility and association shall have providing electric service
286.10 has an annual energy-savings goal equivalent to 1.75 percent of gross annual retail
286.11 energy sales unless modified by the commissioner under paragraph (d) (c). A public utility
286.12 providing natural gas service has an annual energy-savings goal equivalent to one percent
286.13 of gross annual retail energy sales, which cannot be lowered by the commissioner. The
286.14 savings goals must be calculated based on the most recent three-year weather-normalized
286.15 average. A public utility or association providing electric service may elect to carry forward
286.16 energy savings in excess of ~~1.5~~ 1.75 percent for a year to the succeeding three calendar
286.17 years, ~~except that savings from electric utility infrastructure projects allowed under paragraph~~
286.18 ~~(d) may be carried forward for five years.~~ A public utility providing natural gas service may
286.19 elect to carry forward energy savings in excess of one percent for a year to the succeeding
286.20 three calendar years. A particular energy savings can be used only for one year's goal.

286.21 ~~(e) The commissioner must adopt a filing schedule that is designed to have all utilities~~
286.22 ~~and associations operating under an energy-savings plan by calendar year 2010.~~

286.23 ~~(d) (c)~~ In its energy conservation improvement and optimization plan filing, a public
286.24 utility or association may request the commissioner to adjust its annual energy-savings
286.25 percentage goal based on its historical conservation investment experience, customer class
286.26 makeup, load growth, a conservation potential study, or other factors the commissioner
286.27 determines warrants an adjustment. The commissioner may not approve a plan of a public
286.28 utility that provides for an annual energy-savings goal of less than one percent of gross
286.29 annual retail energy sales from energy conservation improvements.

286.30 (d) A public utility or association may include in its energy conservation and optimization
286.31 plan energy savings from electric utility infrastructure projects approved by the commission
286.32 under section 216B.1636 or waste heat recovery converted into electricity projects that may
286.33 count as energy savings in addition to a minimum energy-savings goal of at least one percent

287.1 for energy conservation improvements. The balance of energy savings contributing toward
287.2 the annual energy savings goal must be achieved by: (1) energy savings from additional
287.3 energy conservation improvements; or (2) electric utility infrastructure projects, as defined
287.4 in section 216B.1636, subdivision 1, that ~~Energy savings from electric utility infrastructure~~
287.5 ~~projects, as defined in section 216B.1636, may be included in the energy conservation plan~~
287.6 ~~of a municipal utility or cooperative electric association. Electric utility infrastructure projects~~
287.7 ~~must result in increased energy efficiency greater than that which would have occurred~~
287.8 ~~through normal maintenance activity.~~

287.9 ~~(e) An energy savings goal is not satisfied by attaining the revenue expenditure~~
287.10 ~~requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the~~
287.11 ~~energy savings goal established in this subdivision.~~

287.12 ~~(f) An association or~~ (e) A public utility is not required to make energy conservation
287.13 investments to attain the energy-savings goals of this subdivision that are not cost-effective
287.14 even if the investment is necessary to attain the energy-savings goals. For the purpose of
287.15 this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs
287.16 and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner
287.17 shall consider the rate at which ~~an association or~~ a municipal utility is increasing its energy
287.18 savings and its expenditures on energy conservation, as well as the public utility's lifetime
287.19 energy savings and cumulative energy savings.

287.20 ~~(g) (f)~~ (f) On an annual basis, the commissioner shall produce and make publicly available
287.21 a report on the annual energy and capacity savings and estimated carbon dioxide reductions
287.22 achieved by the ~~energy conservation improvement programs~~ under this section and section
287.23 216B.2403 for the two most recent years for which data is available. The report must also
287.24 include information regarding any annual energy sales or generation capacity increases
287.25 resulting from efficient fuel-switching improvements. The commissioner shall report on
287.26 program performance both in the aggregate and for each entity filing an energy conservation
287.27 improvement plan for approval or review by the commissioner, and must provide an estimate
287.28 for progress toward the statewide energy-savings goal under section 216B.2401.

287.29 ~~(h) By January 15, 2010, the commissioner shall report to the legislature whether the~~
287.30 ~~spending requirements under subdivisions 1a and 1b are necessary to achieve the~~
287.31 ~~energy savings goals established in this subdivision.~~

287.32 ~~(i) This subdivision does not apply to:~~

287.33 ~~(1) a cooperative electric association with fewer than 5,000 members;~~

287.34 ~~(2) a municipal utility with fewer than 1,000 retail electric customers; or~~

288.1 ~~(3) a municipal utility with less than 1,000,000,000 cubic feet in annual throughput sales~~
288.2 ~~to retail natural gas customers.~~

288.3 Sec. 21. Minnesota Statutes 2018, section 216B.241, subdivision 1d, is amended to read:

288.4 Subd. 1d. **Technical assistance.** (a) The commissioner shall evaluate energy conservation
288.5 improvement programs under this section and section 216B.2403 on the basis of
288.6 cost-effectiveness and the reliability of the technologies employed. The commissioner shall,
288.7 by order, establish, maintain, and update energy-savings assumptions that must be used
288.8 when filing energy conservation improvement programs. The department must track a public
288.9 utility's or consumer-owned utility's lifetime energy savings and cumulative lifetime energy
288.10 savings provided to the commissioner in plans submitted under this section. The
288.11 commissioner shall establish an inventory of the most effective energy conservation
288.12 programs, techniques, and technologies, and encourage all Minnesota utilities to implement
288.13 them, where appropriate, in their service territories. The commissioner shall describe these
288.14 programs in sufficient detail to provide a utility reasonable guidance concerning
288.15 implementation. The commissioner shall prioritize the opportunities in order of potential
288.16 energy savings and in order of cost-effectiveness. The commissioner may contract with a
288.17 third party to carry out any of the commissioner's duties under this subdivision, and to obtain
288.18 technical assistance to evaluate the effectiveness of any conservation improvement program.
288.19 The commissioner may assess up to \$850,000 annually for the purposes of this subdivision.
288.20 The assessments must be deposited in the state treasury and credited to the energy and
288.21 conservation account created under subdivision 2a. An assessment made under this
288.22 subdivision is not subject to the cap on assessments provided by section 216B.62, or any
288.23 other law.

288.24 ~~(b) Of the assessment authorized under paragraph (a), the commissioner may expend~~
288.25 ~~up to \$400,000 annually for the purpose of developing, operating, maintaining, and providing~~
288.26 ~~technical support for a uniform electronic data reporting and tracking system available to~~
288.27 ~~all utilities subject to this section, in order to enable accurate measurement of the cost and~~
288.28 ~~energy savings of the energy conservation improvements required by this section. This~~
288.29 ~~paragraph expires June 30, 2018. By March 15 of the year following the enactment of this~~
288.30 section, the commissioner must, by order, develop and publish technical information
288.31 necessary to evaluate whether deployment of a fuel-switching improvement meets the
288.32 criteria established under subdivision 11, paragraph (c), and section 216B.2403, subdivision
288.33 8, including the formula to account for the energy saved by a fuel-switching improvement
288.34 on a fuel-neutral basis. The commissioner must update the technical information as necessary.

289.1 Sec. 22. Minnesota Statutes 2018, section 216B.241, subdivision 1f, is amended to read:

289.2 Subd. 1f. **Facilities energy efficiency.** (a) The commissioner of administration and the
289.3 commissioner of commerce shall maintain and, as needed, revise the sustainable building
289.4 design guidelines developed under section 16B.325.

289.5 (b) The commissioner of administration and the commissioner of commerce shall maintain
289.6 and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section
289.7 3, so that all public buildings can use the benchmarking tool to maintain energy use
289.8 information for the purposes of establishing energy efficiency benchmarks, tracking building
289.9 performance, and measuring the results of energy efficiency and conservation improvements.

289.10 (c) The commissioner shall require that utilities include in their conservation improvement
289.11 plans programs that facilitate professional engineering verification to qualify a building as
289.12 Energy Star-labeled, Leadership in Energy and Environmental Design (LEED) certified, or
289.13 Green Globes-certified. ~~The state goal is to achieve certification of 1,000 commercial~~
289.14 ~~buildings as Energy Star-labeled, and 100 commercial buildings as LEED-certified or Green~~
289.15 ~~Globes-certified by December 31, 2010.~~

289.16 (d) The commissioner may assess up to \$500,000 annually for the purposes of this
289.17 subdivision. The assessments must be deposited in the state treasury and credited to the
289.18 energy and conservation account created under subdivision 2a. An assessment made under
289.19 this subdivision is not subject to the cap on assessments provided by section 216B.62, or
289.20 any other law.

289.21 Sec. 23. Minnesota Statutes 2018, section 216B.241, subdivision 2, is amended to read:

289.22 Subd. 2. **Programs Public utility; energy conservation and optimization plans.** (a)
289.23 The commissioner may require public utilities to make investments and expenditures in
289.24 energy conservation improvements, explicitly setting forth the interest rates, prices, and
289.25 terms under which the improvements must be offered to the customers. The required
289.26 programs must cover no more than a three-year period. Public utilities shall file energy
289.27 conservation improvement and optimization plans by June 1, on a schedule determined by
289.28 order of the commissioner, but at least every three years. As provided in subdivision 11,
289.29 plans may include programs for efficient fuel-switching improvements and load management.
289.30 An individual utility program may combine elements of energy conservation, load
289.31 management, or efficient fuel-switching. Plans received by a public utility by June 1 must
289.32 be approved or approved as modified by the commissioner by December 1 of that same
289.33 year. The plan must account for the lifetime energy savings and cumulative lifetime savings
289.34 under the plan. The commissioner shall evaluate the program on the basis of

290.1 cost-effectiveness and the reliability of technologies employed. The commissioner's order
290.2 must provide to the extent practicable for a free choice, by consumers participating in the
290.3 program, of the device, method, material, or project constituting the energy conservation
290.4 improvement and for a free choice of the seller, installer, or contractor of the energy
290.5 conservation improvement, provided that the device, method, material, or project seller,
290.6 installer, or contractor is duly licensed, certified, approved, or qualified, including under
290.7 the residential conservation services program, where applicable.

290.8 (b) The commissioner may require a utility subject to subdivision 1c to make an energy
290.9 conservation improvement investment or expenditure whenever the commissioner finds
290.10 that the improvement will result in energy savings at a total cost to the utility less than the
290.11 cost to the utility to produce or purchase an equivalent amount of new supply of energy.
290.12 ~~The commissioner shall nevertheless ensure that every public utility operate one or more~~
290.13 ~~programs under periodic review by the department.~~

290.14 (c) Each public utility subject to this subdivision ~~1a~~ may spend and invest annually up
290.15 to ten percent of the total amount ~~required to be~~ spent and invested on energy conservation
290.16 improvements under this section by the utility on research and development projects that
290.17 meet the definition of energy conservation improvement in subdivision 1 and that are funded
290.18 directly by the public utility.

290.19 ~~(d) A public utility may not spend for or invest in energy conservation improvements~~
290.20 ~~that directly benefit a large energy facility or a large electric customer facility for which the~~
290.21 ~~commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b).~~ The
290.22 commissioner shall consider and may require a public utility to undertake a program
290.23 suggested by an outside source, including a political subdivision, a nonprofit corporation,
290.24 or community organization.

290.25 (e) A utility, a political subdivision, or a nonprofit or community organization that has
290.26 suggested a program, the attorney general acting on behalf of consumers and small business
290.27 interests, or a utility customer that has suggested a program and is not represented by the
290.28 attorney general under section 8.33 may petition the commission to modify or revoke a
290.29 department decision under this section, and the commission may do so if it determines that
290.30 the program is not cost-effective, does not adequately address the residential conservation
290.31 improvement needs of low-income persons, has a long-range negative effect on one or more
290.32 classes of customers, or is otherwise not in the public interest. The commission shall reject
290.33 a petition that, on its face, fails to make a reasonable argument that a program is not in the
290.34 public interest.

291.1 (f) The commissioner may order a public utility to include, with the filing of the utility's
291.2 annual status report, the results of an independent audit of the utility's conservation
291.3 improvement programs and expenditures performed by the department or an auditor with
291.4 experience in the provision of energy conservation and energy efficiency services approved
291.5 by the commissioner and chosen by the utility. The audit must specify the energy savings
291.6 or increased efficiency in the use of energy within the service territory of the utility that is
291.7 the result of the spending and investments. The audit must evaluate the cost-effectiveness
291.8 of the utility's conservation programs.

291.9 ~~(g) A gas utility may not spend for or invest in energy conservation improvements that~~
291.10 ~~directly benefit a large customer facility or commercial gas customer facility for which the~~
291.11 ~~commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b), (c), or~~
291.12 ~~(e). The commissioner shall consider and may require a utility to undertake a program~~
291.13 ~~suggested by an outside source, including a political subdivision, a nonprofit corporation,~~
291.14 ~~or a community organization.~~

291.15 (g) The energy conservation and optimization plan for each public utility subject to this
291.16 section must include activities to improve energy efficiency in public schools served by the
291.17 utility. At a minimum, the efficiency in schools component must consist of programs to
291.18 update lighting in schools, update heating and cooling systems in schools, provide for
291.19 building recommissioning, provide building operator training, and provide opportunities to
291.20 educate students, teachers, and staff regarding energy efficiency measures implemented at
291.21 the school.

291.22 Sec. 24. Minnesota Statutes 2018, section 216B.241, subdivision 2b, is amended to read:

291.23 Subd. 2b. **Recovery of expenses.** The commission shall allow a public utility to recover
291.24 expenses resulting from a an energy conservation improvement program required and
291.25 optimization plan approved by the department under this section and contributions and
291.26 assessments to the energy and conservation account, unless the recovery would be
291.27 inconsistent with a financial incentive proposal approved by the commission. ~~The commission~~
291.28 ~~shall allow a cooperative electric association subject to rate regulation under section~~
291.29 ~~216B.026, to recover expenses resulting from energy conservation improvement programs,~~
291.30 ~~load management programs, and assessments and contributions to the energy and~~
291.31 ~~conservation account unless the recovery would be inconsistent with a financial incentive~~
291.32 ~~proposal approved by the commission.~~ In addition, a public utility may file annually, or the
291.33 Public Utilities Commission may require the utility to file, and the commission may approve,
291.34 rate schedules containing provisions for the automatic adjustment of charges for utility

292.1 service in direct relation to changes in the expenses of the utility for real and personal
292.2 property taxes, fees, and permits, the amounts of which the utility cannot control. A public
292.3 utility is eligible to file for adjustment for real and personal property taxes, fees, and permits
292.4 under this subdivision only if, in the year previous to the year in which it files for adjustment,
292.5 it has spent or invested at least 1.75 percent of its gross revenues from provision of electric
292.6 service, excluding gross operating revenues from electric service provided in the state to
292.7 large electric customer facilities for which the commissioner has issued an exemption under
292.8 subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas
292.9 service, excluding gross operating revenues from gas services provided in the state to large
292.10 electric customer facilities for which the commissioner has issued an exemption under
292.11 subdivision 1a, paragraph (b), for that year for energy conservation improvements under
292.12 this section.

292.13 Sec. 25. Minnesota Statutes 2018, section 216B.241, subdivision 3, is amended to read:

292.14 Subd. 3. **Ownership of energy conservation improvement.** ~~An~~ A preweatherization
292.15 measure or energy conservation improvement made to or installed in a building in accordance
292.16 with this section, except systems owned by the utility and designed to turn off, limit, or vary
292.17 the delivery of energy, are the exclusive property of the owner of the building except to the
292.18 extent that the improvement is subjected to a security interest in favor of the utility in case
292.19 of a loan to the building owner. The utility has no liability for loss, damage or injury caused
292.20 directly or indirectly by ~~an~~ a preweatherization measure or energy conservation improvement
292.21 except for negligence by the utility in purchase, installation, or modification of the product.

292.22 Sec. 26. Minnesota Statutes 2018, section 216B.241, subdivision 5, is amended to read:

292.23 Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric
292.24 association, and municipal utility that provides electric service to retail customers and is
292.25 subject to subdivision 1c shall include as part of its conservation improvement activities a
292.26 program to strongly encourage the use of ~~fluorescent and high-intensity discharge lamps~~
292.27 light-emitting diode lighting products. The program must include at least a public information
292.28 campaign to encourage use of the lamps and proper management of spent lamps by all
292.29 customer classifications.

292.30 (b) A public utility that provides electric service at retail to 200,000 or more customers
292.31 shall establish, either directly or through contracts with other persons, including lamp
292.32 manufacturers, distributors, wholesalers, and retailers and local government units, a system
292.33 to collect for delivery to a reclamation or recycling facility spent fluorescent and

293.1 high-intensity discharge lamps from households and from small businesses as defined in
293.2 section 645.445 that generate an average of fewer than ten spent lamps per year.

293.3 (c) A collection system must include establishing reasonably convenient locations for
293.4 collecting spent lamps from households and financial incentives sufficient to encourage
293.5 spent lamp generators to take the lamps to the collection locations. Financial incentives may
293.6 include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash
293.7 back system, or any other financial incentive or group of incentives designed to collect the
293.8 maximum number of spent lamps from households and small businesses that is reasonably
293.9 feasible.

293.10 (d) A public utility that provides electric service at retail to fewer than 200,000 customers,
293.11 a cooperative electric association, or a municipal utility that provides electric service at
293.12 retail to customers may establish a collection system under paragraphs (b) and (c) as part
293.13 of conservation improvement activities required under this section.

293.14 (e) The commissioner of the Pollution Control Agency may not, unless clearly required
293.15 by federal law, require a public utility, cooperative electric association, or municipality that
293.16 establishes a household fluorescent and high-intensity discharge lamp collection system
293.17 under this section to manage the lamps as hazardous waste as long as the lamps are managed
293.18 to avoid breakage and are delivered to a recycling or reclamation facility that removes
293.19 mercury and other toxic materials contained in the lamps prior to placement of the lamps
293.20 in solid waste.

293.21 (f) If a public utility, cooperative electric association, or municipal utility contracts with
293.22 a local government unit to provide a collection system under this subdivision, the contract
293.23 must provide for payment to the local government unit of all the unit's incremental costs of
293.24 collecting and managing spent lamps.

293.25 (g) All the costs incurred by a public utility, cooperative electric association, or municipal
293.26 utility for promotion and collection of fluorescent and high-intensity discharge lamps under
293.27 this subdivision are conservation improvement spending under this section.

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

293.29 Sec. 27. Minnesota Statutes 2018, section 216B.241, subdivision 7, is amended to read:

293.30 Subd. 7. **Low-income programs.** (a) The commissioner shall ensure that each public
293.31 utility and association subject to subdivision 1c provides low-income energy conservation
293.32 programs to low-income households. When approving spending and energy-savings goals
293.33 for low-income programs, the commissioner shall consider historic spending and participation

294.1 levels, energy savings for low-income programs, and the number of low-income persons
294.2 residing in the utility's service territory. A ~~municipal utility that furnishes gas service must~~
294.3 ~~spend at least 0.2 percent, and a public utility furnishing gas service must spend at least 0.4~~
294.4 0.8 percent, of its most recent three-year average gross operating revenue from residential
294.5 customers in the state on low-income programs. A public utility or association that furnishes
294.6 electric service must spend at least ~~0.1~~ 0.4 percent of its gross operating revenue from
294.7 residential customers in the state on low-income programs. ~~For a generation and transmission~~
294.8 ~~cooperative association, this requirement shall apply to each association's members' aggregate~~
294.9 ~~gross operating revenue from sale of electricity to residential customers in the state.~~
294.10 ~~Beginning in 2010, A utility or association that furnishes electric service must spend 0.2~~
294.11 ~~percent of its gross operating revenue from residential customers in the state on low-income~~
294.12 ~~programs.~~

294.13 (b) To meet the requirements of paragraph (a), a public utility or association may
294.14 contribute money to the energy and conservation account. An energy conservation
294.15 improvement plan must state the amount, if any, of low-income energy conservation
294.16 improvement funds the public utility or association will contribute to the energy and
294.17 conservation account. Contributions must be remitted to the commissioner by February 1
294.18 of each year.

294.19 (c) The commissioner shall establish low-income programs to utilize money contributed
294.20 to the energy and conservation account under paragraph (b). In establishing low-income
294.21 programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and
294.22 community organizations, especially organizations engaged in providing energy and
294.23 weatherization assistance to low-income ~~persons~~ households. Money contributed to the
294.24 energy and conservation account under paragraph (b) must provide programs for low-income
294.25 ~~persons~~ households, including low-income renters, in the service territory of the public
294.26 ~~utility or association~~ providing the money. The commissioner shall record and report
294.27 expenditures and energy savings achieved as a result of low-income programs funded
294.28 through the energy and conservation account in the report required under subdivision 1c,
294.29 paragraph (g). The commissioner may contract with a political subdivision, nonprofit or
294.30 community organization, public utility, municipality, or cooperative electric association to
294.31 implement low-income programs funded through the energy and conservation account.

294.32 (d) A public utility or association may petition the commissioner to modify its required
294.33 spending under paragraph (a) if the utility or association and the commissioner have been
294.34 unable to expend the amount required under paragraph (a) for three consecutive years.

295.1 (e) For purposes of this subdivision, "multifamily building" is defined as a residential
295.2 building with five or more dwelling units. Notwithstanding the definition of low-income
295.3 household in section 216B.2402, for purposes of determining eligibility for multifamily
295.4 buildings in low-income programs, a utility or association may use one or more of the
295.5 following:

295.6 (1) information demonstrating a multifamily building's units are rented to households
295.7 meeting one of the following criteria:

295.8 (i) household income at or below 200 percent of federal poverty level;

295.9 (ii) household income at or below 60 percent of area median income;

295.10 (iii) occupancy within a building that is certified on the Low Income Renter Classification
295.11 (LIRC) Assessor Report compiled annually by Minnesota Housing Finance Agency; or

295.12 (iv) occupancy within a building which has a declaration against the property requiring
295.13 that a portion of the units are rented to tenants with an annual household income less than
295.14 or equal to 60 percent of area median income;

295.15 (2) a property's participation in an affordable housing program, including low-income
295.16 housing tax credits (LIHTC), United States Department of Housing and Urban Development
295.17 (HUD) assistance, United States Department of Agriculture (USDA) assistance, state housing
295.18 finance agency assistance, or local tax abatement for low-income properties; or

295.19 (3) documentation demonstrating that the property is on the waiting list for or currently
295.20 participating in the United States Department of Energy Weatherization Assistance Program.

295.21 (f) Up to 15 percent of a public utility's spending on low-income programs may be spent
295.22 on preweatherization measures. For purposes of this section and section 216B.241,
295.23 subdivision 3, "preweatherization measure" means an improvement that is necessary to
295.24 allow energy conservation improvements to be installed in a home.

295.25 (1) The commissioner must, by order, establish a list of qualifying preweatherization
295.26 measures eligible for inclusion in low-income programs no later than March 15 of the year
295.27 following enactment of this section.

295.28 (2) A public utility may elect to contribute money to the Healthy Asbestos Insulation
295.29 Removal (AIR) program administered by the department. Money contributed to the fund
295.30 counts toward the minimum low-income spending requirement in paragraph (a) and toward
295.31 the cap on preweatherization measures.

296.1 ~~(e)~~ (g) The costs and benefits associated with any approved low-income gas or electric
296.2 conservation improvement program that is not cost-effective when considering the costs
296.3 and benefits to the utility may, at the discretion of the utility, be excluded from the calculation
296.4 of net economic benefits for purposes of calculating the financial incentive to the utility.
296.5 The energy and demand savings may, at the discretion of the utility, be applied toward the
296.6 calculation of overall portfolio energy and demand savings for purposes of determining
296.7 progress toward annual goals and in the financial incentive mechanism.

296.8 Sec. 28. Minnesota Statutes 2018, section 216B.241, subdivision 9, is amended to read:

296.9 Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The purpose
296.10 of this subdivision is to establish cost-effective energy-efficiency performance standards
296.11 for new and substantially reconstructed commercial, industrial, and institutional buildings
296.12 that can significantly reduce carbon dioxide emissions by lowering energy use in new and
296.13 substantially reconstructed buildings. For the purposes of this subdivision, the establishment
296.14 of these standards may be referred to as Sustainable Building 2030.

296.15 (b) The commissioner shall contract with the Center for Sustainable Building Research
296.16 at the University of Minnesota to coordinate development and implementation of
296.17 energy-efficiency performance standards, strategic planning, research, data analysis,
296.18 technology transfer, training, and other activities related to the purpose of Sustainable
296.19 Building 2030. The commissioner and the Center for Sustainable Building Research shall,
296.20 in consultation with utilities, builders, developers, building operators, and experts in building
296.21 design and technology, develop a Sustainable Building 2030 implementation plan that must
296.22 address, at a minimum, the following issues:

296.23 (1) training architects to incorporate the performance standards in building design;

296.24 (2) incorporating the performance standards in utility conservation improvement
296.25 programs; and

296.26 (3) developing procedures for ongoing monitoring of energy use in buildings that have
296.27 adopted the performance standards.

296.28 The plan must be submitted to the chairs and ranking minority members of the senate and
296.29 house of representatives committees with primary jurisdiction over energy policy by July
296.30 1, 2009.

296.31 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,
296.32 quantitative measures of total building energy use and associated carbon dioxide emissions
296.33 per square foot for different building types and uses, that allow for accurate determinations

297.1 of a building's conformance with a performance standard. Performance standards must
297.2 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as
297.3 that infrastructure begins to be made widely available. The energy-efficiency performance
297.4 standards must be updated every three or five years to incorporate all cost-effective measures.
297.5 The performance standards must reflect the reductions in carbon dioxide emissions per
297.6 square foot resulting from actions taken by utilities to comply with the renewable energy
297.7 standards in section 216B.1691. The performance standards should be designed to achieve
297.8 reductions equivalent to the following reduction schedule, measured against energy
297.9 consumption by an average building in each applicable building sector in 2003: (1) 60
297.10 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90 percent in 2025.
297.11 A performance standard must not be established or increased absent a conclusive engineering
297.12 analysis that it is cost-effective based upon established practices used in evaluating utility
297.13 conservation improvement programs.

297.14 (d) The annual amount of the contract with the Center for Sustainable Building Research
297.15 is up to \$500,000. The Center for Sustainable Building Research shall expend no more than
297.16 \$150,000 of this amount each year on administration, coordination, and oversight activities
297.17 related to Sustainable Building 2030. Up to an additional \$150,000 of this amount may be
297.18 used by the Center for Sustainable Building Research to provide technical assistance to
297.19 local jurisdictions that adopt a voluntary stretch code under section 326B.106, subdivision
297.20 16, that conforms to Sustainable Building 2030. The balance of contract funds must be spent
297.21 on substantive programmatic activities allowed under this subdivision that may be conducted
297.22 by the Center for Sustainable Building Research and others, and for subcontracts with
297.23 not-for-profit energy organizations, architecture and engineering firms, and other qualified
297.24 entities to undertake technical projects and activities in support of Sustainable Building
297.25 2030. The primary work to be accomplished each year by qualified technical experts under
297.26 subcontracts is the development and thorough justification of recommendations for specific
297.27 energy-efficiency performance standards. Additional work may include:

297.28 (1) research, development, and demonstration of new energy-efficiency technologies
297.29 and techniques suitable for commercial, industrial, and institutional buildings;

297.30 (2) analysis and evaluation of practices in building design, construction, commissioning
297.31 and operations, and analysis and evaluation of energy use in the commercial, industrial, and
297.32 institutional sectors;

297.33 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable
297.34 Building 2030 performance standards, conservation improvement programs, and building
297.35 energy codes;

298.1 (4) development and delivery of training programs for architects, engineers,
298.2 commissioning agents, technicians, contractors, equipment suppliers, developers, and others
298.3 in the building industries; and

298.4 (5) analysis and evaluation of the effect of building operations on energy use.

298.5 (e) The commissioner shall require utilities to develop and implement conservation
298.6 improvement programs that are expressly designed to achieve energy efficiency goals
298.7 consistent with the Sustainable Building 2030 performance standards. These programs must
298.8 include offerings of design assistance and modeling, financial incentives, and the verification
298.9 of the proper installation of energy-efficient design components in new and substantially
298.10 reconstructed buildings. The programs must be available to customers in local jurisdictions
298.11 that adopt a voluntary stretch code under section 326B.106, subdivision 16. A utility's design
298.12 assistance program must consider the strategic planting of trees and shrubs around buildings
298.13 as an energy conservation strategy for the designed project. A utility making an expenditure
298.14 under its conservation improvement program that results in a building meeting the Sustainable
298.15 Building 2030 performance standards may claim the energy savings toward its energy-savings
298.16 goal established in subdivision 1c.

298.17 (f) The commissioner shall report to the legislature every three years, beginning January
298.18 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable Building
298.19 2030 performance standards and shall make recommendations on the need to continue the
298.20 program as described in this section.

298.21 Sec. 29. Minnesota Statutes 2018, section 216B.241, is amended by adding a subdivision
298.22 to read:

298.23 **Subd. 11. Programs for efficient fuel-switching improvements and load**
298.24 **management.** (a) A public utility subject to this section may include in its plan required
298.25 under subdivision 2 programs for (1) efficient fuel-switching improvements and load
298.26 management, or (2) combinations of energy conservation improvements, fuel-switching
298.27 improvements, and load management. For each program, the utility must provide proposed
298.28 budgets, cost-effectiveness analyses, and estimated net energy and demand savings.

298.29 (b) The department may approve proposed programs for efficient fuel-switching
298.30 improvements if it finds the improvements meet the requirements of paragraph (e). For
298.31 improvements requiring the deployment of electric technologies, the department must also
298.32 consider whether the fuel-switching improvement can be operated in a manner that facilitates
298.33 the integration of variable renewable energy into the electric system. The net benefits from
298.34 an efficient fuel-switching improvement that is integrated with an energy efficiency program

299.1 approved under this section may be counted toward the net benefits of the energy efficiency
299.2 program, provided the department finds the primary purpose and effect of the program is
299.3 energy efficiency.

299.4 (c) The department may approve a proposed program in load management if it finds the
299.5 program investment is cost-effective after considering the costs and benefits of the proposed
299.6 investment to ratepayers, the utility, participants, and society. The net benefits from a load
299.7 management activity that is integrated with an energy efficiency program approved under
299.8 this section may be counted toward the net benefits of the energy efficiency program,
299.9 provided the department finds the primary purpose and effect of the program is energy
299.10 efficiency.

299.11 (d) The commission may permit a public utility to file rate schedules that provide for
299.12 annual cost recovery for efficient fuel-switching improvements and cost-effective load
299.13 management programs approved by the department, including reasonable and prudent costs
299.14 to implement and promote programs approved under this subdivision. The commission may
299.15 approve, modify, or reject a proposal made by the department or a utility for an incentive
299.16 plan to encourage investments in load management programs, applying the considerations
299.17 established under section 216B.16, subdivision 6c, paragraphs (b) and (c). The commission
299.18 must not approve a financial incentive to encourage efficient fuel-switching programs. The
299.19 commission may structure an incentive plan to encourage cost-effective load management
299.20 programs as a regulatory asset on which a public utility could earn a rate of return. A utility
299.21 is not eligible for a financial incentive under this subdivision in any year the utility or
299.22 association does not achieve its minimum energy-savings goal.

299.23 (e) A fuel-switching improvement is deemed efficient if the commissioner finds the
299.24 improvement, relative to the fuel that is being displaced, meets the following criteria:

299.25 (1) results in a net reduction in the cost and amount of source energy consumed for a
299.26 particular use, measured on a fuel-neutral basis;

299.27 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
299.28 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
299.29 improvement installed by an electric utility, the change in emissions must be measured
299.30 based on the hourly emission profile of the electric utility, using the hourly emissions profile
299.31 in the most recent resource plan approved by the commission under section 216B.2422;

299.32 (3) is cost-effective from a societal perspective, considering the costs associated with
299.33 both the old and replacement fuels; and

300.1 (4) is installed and operated in a manner that does not unduly increase the utility's system
300.2 peak demand or require significant new investment in utility infrastructure.

300.3 Sec. 30. Minnesota Statutes 2018, section 216B.2422, subdivision 1, is amended to read:

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

300.6 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more
300.7 of electric power and serving, either directly or indirectly, the needs of 10,000 retail
300.8 customers in Minnesota. Utility does not include federal power agencies.

300.9 (c) "Renewable energy" means electricity generated through use of any of the following
300.10 resources:

300.11 (1) wind;

300.12 (2) solar;

300.13 (3) geothermal;

300.14 (4) hydro;

300.15 (5) trees or other vegetation;

300.16 (6) landfill gas; or

300.17 (7) predominantly organic components of wastewater effluent, sludge, or related
300.18 by-products from publicly owned treatment works, but not including incineration of
300.19 wastewater sludge.

300.20 (d) "Resource plan" means a set of resource options that a utility could use to meet the
300.21 service needs of its customers over a forecast period, including an explanation of the supply
300.22 and demand circumstances under which, and the extent to which, each resource option
300.23 would be used to meet those service needs. These resource options include using,
300.24 refurbishing, and constructing utility plant and equipment, buying power generated by other
300.25 entities, controlling customer loads, and implementing customer energy conservation.

300.26 (e) "Refurbish" means to rebuild or substantially modify an existing electricity generating
300.27 resource of 30 megawatts or greater.

300.28 (f) "Clean energy resource" means renewable energy, an energy storage system, energy
300.29 efficiency, as defined in section 216B.2402, paragraph (g), or load management, as defined
300.30 in section 216B.2402, paragraph (o).

301.1 (g) "Carbon-free resource" means a generation technology that, when operating, does
301.2 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
301.3 subdivision 2. Carbon-free resource does not include a nuclear-powered electric generation
301.4 facility operating in Minnesota on the effective date of this act.

301.5 (h) "Energy storage system" means a commercially available technology that:

301.6 (1) uses mechanical, chemical, or thermal processes to:

301.7 (i) store energy and deliver the stored energy for use at a later time; or

301.8 (ii) store thermal energy for direct use for heating or cooling at a later time in a manner
301.9 that reduces the demand for energy at the later time;

301.10 (2) if being used for electric grid benefits, is:

301.11 (i) operationally visible to the distribution or transmission entity managing it; and

301.12 (ii) capable of being controlled by the distribution or transmission entity to enable and
301.13 optimize the safe and reliable operation of the electric system; and

301.14 (3) achieves any of the following:

301.15 (i) reduces peak electrical demand;

301.16 (ii) defers the need or substitutes for an investment in electric generation, transmission,
301.17 or distribution assets;

301.18 (iii) improves the reliable operation of the electrical transmission or distribution systems;

301.19 or

301.20 (iv) lowers customer costs by storing energy when the cost of generating or purchasing
301.21 energy is low and delivering energy to customers when costs are high.

301.22 (i) "Nonrenewable energy facility" means a generation facility, other than a nuclear
301.23 facility, that does not use a renewable energy or other clean energy resource.

301.24 (j) "Local job impacts" means the impacts of an integrated resource plan, a certificate
301.25 of need, a power purchase agreement, or commission approval of a new or refurbished
301.26 electric generation facility on the availability of high-quality construction and mining
301.27 employment opportunities for local workers.

301.28 (k) "Local workers" means workers employed to construct and maintain energy
301.29 infrastructure, or employed in a mining industry, that are Minnesota residents, residents of
301.30 the utility's service territory, or who permanently reside within 150 miles of a proposed new
301.31 or refurbished energy facility.

302.1 Sec. 31. Minnesota Statutes 2018, section 216B.2422, subdivision 2, is amended to read:

302.2 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
302.3 the commission periodically in accordance with rules adopted by the commission. The
302.4 commission shall approve, reject, or modify the plan of a public utility, as defined in section
302.5 216B.02, subdivision 4, consistent with the public interest.

302.6 (b) In the resource plan proceedings of all other utilities, the commission's order shall
302.7 be advisory and the order's findings and conclusions shall constitute prima facie evidence
302.8 which may be rebutted by substantial evidence in all other proceedings. With respect to
302.9 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
302.10 consider the filing requirements and decisions in any comparable proceedings in another
302.11 jurisdiction.

302.12 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
302.13 meeting ~~50 and~~ 75, and 100 percent of all energy needs from both new and refurbished
302.14 generating facilities through a combination of ~~conservation~~ clean energy and ~~renewable~~
302.15 ~~energy~~ carbon-free resources.

302.16 Sec. 32. Minnesota Statutes 2018, section 216B.2422, subdivision 3, is amended to read:

302.17 Subd. 3. **Environmental costs.** ~~(a)~~ The commission shall, to the extent practicable,
302.18 quantify and establish a range of environmental costs associated with each method of
302.19 electricity generation. A utility shall use the values established by the commission in
302.20 conjunction with other external factors, including socioeconomic costs, when evaluating
302.21 and selecting resource options in all proceedings before the commission, including power
302.22 purchase agreement, resource plan, and certificate of need proceedings. When evaluating
302.23 resource options, the commission must include and consider the environmental cost values
302.24 adopted under this subdivision. When considering the costs of a nonrenewable energy
302.25 facility under this section, the commission must consider only nonzero values for the
302.26 environmental costs that must be analyzed under this subdivision, including both the low
302.27 and high values of any cost range adopted by the commission.

302.28 ~~(b) The commission shall establish interim environmental cost values associated with~~
302.29 ~~each method of electricity generation by March 1, 1994. These values expire on the date~~
302.30 ~~the commission establishes environmental cost values under paragraph (a).~~

303.1 Sec. 33. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
303.2 to read:

303.3 Subd. 3a. **Favored electricity resources; state policy.** It is the policy of the state that,
303.4 in order to hasten the achievement of the greenhouse gas reduction goals under section
303.5 216H.02, the renewable energy standard under section 216B.1691, subdivision 2a, and the
303.6 solar energy standard under section 216B.1691, subdivision 2f, and given the significant
303.7 and continuing reductions in the cost of wind technologies, solar technologies, energy
303.8 storage systems, and demand-response technologies, the favored method to meet electricity
303.9 demand in Minnesota is a combination of clean energy resources.

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

303.11 Sec. 34. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
303.12 to read:

303.13 Subd. 3b. **Nonrenewable energy facility; required analysis.** (a) In its application
303.14 requesting commission approval of the construction, refurbishing, or purchase of energy or
303.15 capacity from a nonrenewable energy facility in an integrated resource plan, a power purchase
303.16 agreement, or any other proceeding, a utility must include, at a minimum, the information
303.17 required under this subdivision.

303.18 (b) A utility must include plans to meet 50, 75, and 100 percent of the energy or capacity
303.19 provided by the proposed nonrenewable energy facility using the least costly combination
303.20 of clean energy and carbon-free resources.

303.21 (c) When analyzing costs under this subdivision, a utility must include the environmental
303.22 costs most recently adopted by the commission for carbon dioxide emissions and criteria
303.23 air pollutants, and socioeconomic costs required under subdivision 3, using both the low
303.24 and high ends of any cost range adopted by the commission. When considering the costs
303.25 of a nonrenewable energy facility under this section, the commission must consider only
303.26 nonzero values for the environmental costs that must be analyzed under subdivision 3,
303.27 including both the low and high values of any cost range adopted by the commission.

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

303.29 Sec. 35. Minnesota Statutes 2018, section 216B.2422, subdivision 4, is amended to read:

303.30 Subd. 4. **Preference for ~~renewable energy facility~~ clean energy resources.** (a) In order
303.31 to achieve the greenhouse gas reduction goals under section 216H.02, and the carbon-free
303.32 standard under section 216B.1691, the commission shall not approve a new or refurbished

304.1 nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant
304.2 ~~to~~ under section 216B.243, or in any proceeding in which a utility seeks to construct an
304.3 electric generating facility or procure electricity or capacity, nor shall the commission
304.4 approve a power purchase agreement for power with a nonrenewable energy facility, or
304.5 allow rate recovery pursuant to under section 216B.16 for such a nonrenewable energy
304.6 facility, unless the utility has demonstrated by clear and convincing evidence that a renewable
304.7 energy facility, alone or in combination with other clean energy resources, is not in the
304.8 public interest. ~~When making the public interest determination, the commission must~~
304.9 ~~consider:~~

304.10 ~~(1) whether the resource plan helps the utility achieve the greenhouse gas reduction~~
304.11 ~~goals under section 216H.02, the renewable energy standard under section 216B.1691, or~~
304.12 ~~the solar energy standard under section 216B.1691, subdivision 2f;~~

304.13 ~~(2) impacts on local and regional grid reliability;~~

304.14 ~~(3) utility and ratepayer impacts resulting from the intermittent nature of renewable~~
304.15 ~~energy facilities, including but not limited to the costs of purchasing wholesale electricity~~
304.16 ~~in the market and the costs of providing ancillary services; and~~

304.17 ~~(4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility,~~
304.18 ~~changes in transmission costs, portfolio diversification, and environmental compliance~~
304.19 ~~costs.~~

304.20 (b) In order to find that a renewable energy facility, alone or in combination with other
304.21 clean energy resources, is not in the public interest, the commission must find by clear and
304.22 convincing evidence that utilizing renewable or clean energy resources to meet the need
304.23 for resources cannot be done affordably or reliably.

304.24 (c) To determine affordability, the commission must consider utility and ratepayer effects
304.25 resulting from:

304.26 (1) the intermittent nature of renewable energy facilities, including but not limited to
304.27 the costs to purchase wholesale electricity in the market and the costs to provide ancillary
304.28 services;

304.29 (2) reduced exposure to fuel price volatility, changes in transmission and distribution
304.30 costs, portfolio diversification, and environmental compliance costs; and

304.31 (3) other environmental costs of a nonrenewable energy facility, as determined by the
304.32 commission under subdivision 3.

304.33 (d) To determine reliability, the commission must consider:

- 305.1 (1) effects on regional grid reliability; and
- 305.2 (2) the ability of the proposed energy resources or facilities to provide:
- 305.3 (i) essential reliability services, including frequency response, balancing services, and
- 305.4 voltage control; and
- 305.5 (ii) energy and capacity.
- 305.6 (e) When considering the costs of a nonrenewable energy facility under this section, the
- 305.7 commission must consider only nonzero values for the environmental costs that must be
- 305.8 analyzed under subdivision 3, including both the low and high values of any cost range
- 305.9 adopted by the commission.
- 305.10 (f) The commission must make a written determination of its findings and conclusions
- 305.11 regarding affordability and reliability under this subdivision. The commission must also
- 305.12 make a written determination as to whether the energy resources approved by the
- 305.13 commission: (1) help the state achieve the greenhouse gas reduction goals under section
- 305.14 216H.02; and (2) help the utility achieve the renewable energy standard under section
- 305.15 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f.
- 305.16 (g) If the commission approves a resource plan that includes the retirement of a
- 305.17 nonrenewable energy facility owned by a public utility, the public utility shall own at least
- 305.18 an amount of the accredited capacity of clean energy resources equal to the percentage of
- 305.19 the retiring nonrenewable energy facility that remains undepreciated multiplied by the
- 305.20 accredited capacity of the retiring facility, and owns the transmission and other facilities
- 305.21 necessary to replace the accredited capacity of the retiring facility, provided:
- 305.22 (1) the utility demonstrates its ownership of replacement resources is in the public
- 305.23 interest, considering customer impacts and benefits; and
- 305.24 (2) the resource plan results in the utility meeting the standards described below:
- 305.25 (i) for an electric utility that owned a nuclear generating facility as of January 1, 2007,
- 305.26 at least 85 percent of its electric supply by the year 2030 and thereafter, and 100 percent of
- 305.27 its electric supply by the year 2045, from resources that do not contribute to statewide
- 305.28 greenhouse gas emissions, as defined in section 216H.01, subdivision 2; and
- 305.29 (ii) for an electric utility that did not own a nuclear generating facility as of January 1,
- 305.30 2007, at least 80 percent of its electric supply by the year 2030 and thereafter, and 100
- 305.31 percent of its electric supply by the year 2050, from resources that do not contribute to
- 305.32 statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

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

306.2 Sec. 36. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
306.3 to read:

306.4 **Subd. 4a. Preference for local job creation.** As a part of its resource plan filing, a utility
306.5 must report on associated local job impacts and the steps the utility and its energy suppliers
306.6 and contractors are taking to maximize the availability of construction employment
306.7 opportunities for local workers. The commission must consider local job impacts and give
306.8 preference to proposals that maximize the creation of construction employment opportunities
306.9 for local workers, consistent with the public interest, when evaluating any utility proposal
306.10 that involves the selection or construction of facilities used to generate or deliver energy to
306.11 serve the utility's customers, including but not limited to a certificate of need, a power
306.12 purchase agreement, or commission approval of a new or refurbished electric generation
306.13 facility.

306.14 Sec. 37. Minnesota Statutes 2018, section 216B.2422, subdivision 5, is amended to read:

306.15 **Subd. 5. Bidding; exemption from certificate of need proceeding.** (a) A utility may
306.16 select resources to meet its projected energy demand through a bidding process approved
306.17 or established by the commission. A utility shall use the environmental cost estimates
306.18 determined under subdivision 3 and consider local job impacts in evaluating bids submitted
306.19 in a process established under this subdivision.

306.20 (b) Notwithstanding any other provision of this section, if an electric power generating
306.21 plant, as described in section 216B.2421, subdivision 2, clause (1), is selected in a bidding
306.22 process approved or established by the commission, a certificate of need proceeding under
306.23 section 216B.243 is not required.

306.24 (c) A certificate of need proceeding is also not required for an electric power generating
306.25 plant that has been selected in a bidding process approved or established by the commission,
306.26 or such other selection process approved by the commission, to satisfy, in whole or in part,
306.27 the wind power mandate of section 216B.2423 or the biomass mandate of section 216B.2424.

306.28 Sec. 38. Minnesota Statutes 2018, section 216B.2422, is amended by adding a subdivision
306.29 to read:

306.30 **Subd. 7. Energy storage systems assessment.** (a) Each public utility required to file a
306.31 resource plan under subdivision 2 must include in the filing an assessment of energy storage
306.32 systems that analyzes how the deployment of energy storage systems contributes to:

307.1 (1) meeting identified generation and capacity needs; and

307.2 (2) evaluating ancillary services.

307.3 (b) The assessment must employ appropriate modeling methods to enable the analysis
307.4 required in paragraph (a).

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

307.6 Sec. 39. **[216B.2427] ELECTRIC UTILITIES; ANCILLARY SERVICES COST**
307.7 **REPORT.**

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

307.10 (b) "Ancillary services" means services that help maintain the reliability of the electrical
307.11 grid by maintaining the proper flow and direction of electricity, addressing temporary
307.12 imbalances of supply and demand, and helping the electrical grid to recover after a power
307.13 failure. Ancillary services include but are not limited to spinning reserves, nonspinning
307.14 reserves, voltage regulation, load following, and black start capability.

307.15 (c) "Black start capability" means the provision of the initial energy needed to start up
307.16 and begin operation of an electricity generator.

307.17 (d) "Load following" means the matching, within five minutes or less, of electricity
307.18 supply to demand as demand fluctuates.

307.19 (e) "Nonspinning reserves" means electric generation capacity that is not connected to
307.20 the electric grid, but is capable of:

307.21 (1) being connected, ramped to capacity, and synchronized to the electric grid within
307.22 ten minutes; and

307.23 (2) maintaining a specified output level for at least two hours.

307.24 (f) "Spinning reserves" means reserve electric generation capacity that is connected and
307.25 synchronized to the electric grid and can meet electric demand within ten minutes.

307.26 (g) "Voltage regulation" means the maintenance of voltage levels on the electric grid.

307.27 Subd. 2. **Report.** By October 1, 2019, and each April 1 thereafter, each electric utility
307.28 must report to the commission on a form developed by the commission the total cost to
307.29 purchase or self-provide ancillary services throughout the previous calendar year. For each
307.30 type of ancillary service, the utility must report:

307.31 (1) the entity providing the ancillary service;

308.1 (2) the amount, duration, and frequency of the ancillary service provided; and

308.2 (3) the cost to purchase or provide the ancillary service.

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

308.4 Sec. 40. Minnesota Statutes 2018, section 216B.243, subdivision 3, is amended to read:

308.5 Subd. 3. **Showing required for construction.** (a) No proposed large energy facility
308.6 shall be certified for construction unless the applicant can show that demand for electricity
308.7 cannot be met more cost effectively through energy conservation, energy storage, and
308.8 load-management measures and unless the applicant has otherwise justified its need. In
308.9 assessing need, the commission shall evaluate:

308.10 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
308.11 the facility is based;

308.12 (2) the effect of existing or possible energy conservation programs under sections 216C.05
308.13 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

308.14 (3) the relationship of the proposed facility to overall state energy needs, as described
308.15 in the most recent state energy policy and conservation report prepared under section
308.16 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
308.17 line to regional energy needs, as presented in the transmission plan submitted under section
308.18 216B.2425;

308.19 (4) promotional activities that may have given rise to the demand for this facility;

308.20 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
308.21 and to increase reliability of energy supply in Minnesota and the region;

308.22 (6) possible alternatives for satisfying the energy demand or transmission needs including
308.23 but not limited to potential for increased efficiency and upgrading of existing energy
308.24 generation and transmission facilities, energy storage systems, load-management programs,
308.25 and distributed generation;

308.26 (7) the policies, rules, and regulations of other state and federal agencies and local
308.27 governments;

308.28 (8) any feasible combination of energy conservation improvements, required under
308.29 section 216B.241, or energy storage systems that can (i) replace part or all of the energy to
308.30 be provided by the proposed facility, and (ii) compete with it economically;

309.1 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
309.2 reliability, access, or deliverability to the extent these factors improve the robustness of the
309.3 transmission system or lower costs for electric consumers in Minnesota;

309.4 (10) whether the applicant or applicants are in compliance with applicable provisions
309.5 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
309.6 certain an application for certificate of need under this section or for certification as a priority
309.7 electric transmission project under section 216B.2425 for any transmission facilities or
309.8 upgrades identified under section 216B.2425, subdivision 7;

309.9 (11) whether the applicant has made the demonstrations required under subdivision 3a;
309.10 and

309.11 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
309.12 assessment of the risk of environmental costs and regulation on that proposed facility over
309.13 the expected useful life of the plant, including a proposed means of allocating costs associated
309.14 with that risk.

309.15 (b) "Energy storage system" means a commercially available technology that uses
309.16 mechanical, chemical, or thermal processes to:

309.17 (1) store energy and deliver the stored energy for use at a later time; or

309.18 (2) store thermal energy for direct use for heating or cooling at a later time in a manner
309.19 that reduces the demand for electricity at the later time.

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

309.21 Sec. 41. Minnesota Statutes 2018, section 216B.243, subdivision 3a, is amended to read:

309.22 Subd. 3a. **Use of ~~renewable~~ nonrenewable resource.** The commission ~~may~~ must not
309.23 issue a certificate of need under this section for a large energy facility that generates electric
309.24 power by means of a nonrenewable energy source, or that transmits electric power generated
309.25 by means of a nonrenewable energy source, unless the applicant for the certificate has
309.26 demonstrated by clear and convincing evidence to the commission's satisfaction under
309.27 section 216B.2422, subdivision 4, that ~~it~~ the applicant has ~~explored the possibility of~~
309.28 conducted the analysis required under section 216B.2422, subdivision 3b, regarding
309.29 generating power by means of ~~renewable~~ clean energy ~~sources~~ resources, as defined in
309.30 section 216B.2422, subdivision 1, and has demonstrated that the ~~alternative selected is less~~
309.31 ~~expensive (including environmental costs) than power generated by a renewable energy~~
309.32 ~~source. For purposes of this subdivision, "renewable energy source" includes hydro, wind,~~

310.1 ~~solar, and geothermal energy and the use of trees or other vegetation as fuel.~~ nonrenewable
310.2 energy source is in the public interest.

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

310.4 Sec. 42. **[216B.247] BENEFICIAL ELECTRIFICATION.**

310.5 (a) It is the goal of the state to promote energy end uses powered by electricity that result
310.6 in a net reduction in greenhouse gas emissions and improvements to public health, consistent
310.7 with the goal established under section 216H.02, subdivision 1.

310.8 (b) To the maximum reasonable extent, the implementation of beneficial electrification
310.9 should prioritize investment and activity in low-income and underresourced communities,
310.10 maintain or improve the quality of electricity service, maximize customer savings, improve
310.11 the integration of renewable and carbon-free resources, and prioritize job creation.

310.12 Sec. 43. **[216B.248] PUBLIC UTILITY BENEFICIAL ELECTRIFICATION.**

310.13 (a) A public utility may submit to the commission a plan to promote energy end uses
310.14 powered by electricity within its service area. To the maximum reasonable extent, the plans
310.15 must:

310.16 (1) maximize consumer savings over the lifetime of the investment;

310.17 (2) maintain or enhance the reliability of electricity service;

310.18 (3) quantify the acres of land that will be needed for new generation, transmission, and
310.19 distribution facilities to provide the additional electricity required under the plan;

310.20 (4) maintain or enhance public health and safety when temperatures fall below 25 degrees
310.21 below zero Fahrenheit;

310.22 (5) support the integration of renewable and carbon-free resources;

310.23 (6) encourage load shape management and energy storage that reduce overall system
310.24 costs;

310.25 (7) prioritize electrification projects in economically disadvantaged communities; and

310.26 (8) produce a net reduction in greenhouse gas emissions, based on the electricity
310.27 generation portfolio of the public utility proposing the plan either over the lifetime of the
310.28 conversion or by 2050, whichever is sooner.

311.1 (b) The commission must approve, reject, or modify the public utility's plan, consistent
311.2 with the public interest. Plans approved by the commission under this subdivision are eligible
311.3 for cost recovery under section 216B.1645.

311.4 Sec. 44. [216C.376] SOLAR FOR SCHOOLS PROGRAM FOR CERTAIN UTILITY
311.5 SERVICE TERRITORY.

311.6 Subdivision 1. Establishment; purpose. The utility subject to section 116C.779 must
311.7 operate a program to develop, and to supplement with additional funding, financial
311.8 arrangements that allow schools to benefit from state and federal tax and other financial
311.9 incentives that schools are ineligible to receive directly, in order to enable schools to install
311.10 and operate solar energy systems that can be used as teaching tools and integrated into the
311.11 school curriculum.

311.12 Subd. 2. Required plan. (a) By October 1, 2019, the public utility must file a plan for
311.13 the solar for schools program with the commissioner. The plan must contain but is not
311.14 limited to the following elements:

311.15 (1) a description of how entities that are eligible to take advantage of state and federal
311.16 tax and other financial incentives that reduce the cost to purchase, install, and operate a
311.17 solar energy system that schools are ineligible to take advantage of directly can share a
311.18 portion of the financial benefits with schools where a solar energy system is proposed to
311.19 be installed;

311.20 (2) a description of how the public utility intends to use funds appropriated to the program
311.21 under this section to provide additional financial assistance to schools where a solar energy
311.22 system is proposed to be installed;

311.23 (3) certification that the financial assistance provided under this section to a school by
311.24 the public utility must include the full value of the renewable energy certificates associated
311.25 with the generation of electricity by the solar energy system receiving financial assistance
311.26 under this section over the lifetime of the solar energy system;

311.27 (4) an estimate of the amount of financial assistance that the public utility provides to a
311.28 school under clauses (1) to (3) on a per kilowatt-hour produced basis, and the length of time
311.29 financial assistance is provided;

311.30 (5) certification that the transaction between the public utility and the school for electricity
311.31 is the buy-all/sell-all method by which the public utility charges the school for all electricity
311.32 the school consumes at the applicable retail rate schedule for sales to the school based on

312.1 the school's customer class, and credits or pays the school at the rate established in
312.2 subdivision 5;

312.3 (6) administrative procedures governing the application and financial benefit award
312.4 process, and the costs the public utility and the department are projected to incur to administer
312.5 the program;

312.6 (7) the public utility's proposed process for periodic reevaluation and modification of
312.7 the program; and

312.8 (8) any additional information required by the commissioner.

312.9 (b) The public utility must not implement the program until the commissioner approves
312.10 the public utility's plan submitted under this subdivision. The commissioner must approve
312.11 a plan under this subdivision that the commissioner determines is in the public interest no
312.12 later than December 31, 2019. Any proposed modifications to the plan approved under this
312.13 subdivision must be approved by the commissioner.

312.14 Subd. 3. **System eligibility.** A solar energy system is eligible to receive financial benefits
312.15 under this section if it meets all of the following conditions:

312.16 (1) the solar energy system must be located on or adjacent to a school building receiving
312.17 retail electric service from the public utility and completely located within the public utility's
312.18 electric service territory, provided that any land situated between the school building and
312.19 the site where the solar energy system is installed is owned by the school district where the
312.20 school building operates;

312.21 (2) any energy storage system that is part of a solar energy system may only store energy
312.22 generated by an existing solar energy system serving the school or the solar energy system
312.23 receiving financial assistance under this section; and

312.24 (3) the total aggregate nameplate capacity of all distributed generation serving the school
312.25 building, including any subscriptions to a community solar garden under section 216B.1641,
312.26 does not exceed the lesser of one megawatt alternating current or 120 percent of the school
312.27 building's average annual electric energy consumption.

312.28 Subd. 4. **Application process.** (a) A school seeking financial assistance under this section
312.29 must submit an application to the public utility, including a plan for how the school plans
312.30 to use the solar energy system as a visible learning tool for students, teachers, and visitors
312.31 to the school, and how the solar energy system may be integrated into the school's curriculum.

312.32 (b) The public utility must award financial assistance under this section on a first-come,
312.33 first-served basis.

313.1 (c) The public utility must discontinue accepting applications under this section after
313.2 all funds appropriated under subdivision 5 are allocated to program participants, including
313.3 funds from canceled projects.

313.4 Subd. 5. **Benefits information.** Before signing an agreement with the public utility to
313.5 receive financial assistance under this section, a school must obtain from the developer and
313.6 provide to the public utility information the developer shared with potential investors in the
313.7 project regarding future financial benefits to be realized from installation of a solar energy
313.8 system at the school, and potential financial risks.

313.9 Subd. 6. **Purchase rate; cost recovery; renewable energy credits.** (a) The public utility
313.10 must purchase all of the electricity generated by a solar energy system receiving financial
313.11 assistance under this section at a rate of \$0.105 per kilowatt-hour generated.

313.12 (b) Payments by the public utility of the rate established under this subdivision to a
313.13 school receiving financial assistance under this section are fully recoverable by the public
313.14 utility through the public utility's fuel clause adjustment.

313.15 (c) The renewable energy credits associated with the electricity generated by a solar
313.16 energy system installed under this section are the property of the public utility that is subject
313.17 to this section.

313.18 Subd. 7. **Limitation.** (a) No more than 50 percent of the financial assistance provided
313.19 by the public utility to schools under this section may be provided to schools where the
313.20 proportion of students eligible for free and reduced-price lunch under the National School
313.21 Lunch Program is less than 50 percent.

313.22 (b) No more than ten percent of the total amount of financial assistance provided by the
313.23 public utility to schools under this section may be provided to schools that are part of the
313.24 same school district.

313.25 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
313.26 schools to develop and execute projects under this section.

313.27 Subd. 9. **Application deadline.** No application may be submitted under this section
313.28 after December 31, 2023.

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

313.30 Sec. 45. **[216C.401] ELECTRIC VEHICLE REBATES.**

313.31 Subdivision 1. **Definition.** (a) For the purposes of this section, the following terms have
313.32 the meanings given.

314.1 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,
314.2 paragraphs (a) and (b), clause (3).

314.3 (c) "New eligible electric vehicle" means an eligible electric vehicle that has not been
314.4 registered in any state.

314.5 (d) "Used eligible electric vehicle" means an eligible electric vehicle that has previously
314.6 been registered in a state.

314.7 Subd. 2. **Eligibility.** The purchaser of an electric vehicle is eligible for a rebate, subject
314.8 to the amounts and limits in subdivisions 3 and 4, if:

314.9 (1) the electric vehicle:

314.10 (i) has not been modified from the original manufacturer's specifications; and

314.11 (ii) is purchased after the effective date of this act for use by the purchaser and not for
314.12 resale;

314.13 (2) the purchaser:

314.14 (i) is a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),
314.15 when the electric vehicle is purchased;

314.16 (ii) is a business that has a valid address in Minnesota from which business is conducted;

314.17 (iii) is a nonprofit corporation incorporated under chapter 317A; or

314.18 (iv) is a political subdivision of the state; and

314.19 (3) the purchaser:

314.20 (i) has not received a rebate or tax credit for the purchase of an electric vehicle from
314.21 Minnesota; and

314.22 (ii) registers the electric vehicle in Minnesota.

314.23 Subd. 3. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an
314.24 eligible purchaser for the purchase of a new eligible electric vehicle.

314.25 (b) A \$500 rebate may be issued under this section to an eligible purchaser for the
314.26 purchase of a used eligible electric vehicle, provided the electric vehicle has not previously
314.27 been registered in Minnesota.

314.28 Subd. 4. **Limits.** (a) The number of rebates allowed under this section are limited to:

314.29 (1) no more than one rebate per resident per household; and

314.30 (2) no more than one rebate per business entity per year.

315.1 (b) A rebate must not be issued under this section for an electric vehicle with a
315.2 manufacturer's suggested retail price that exceeds \$60,000.

315.3 Subd. 5. **Program administration.** (a) Rebate applications under this section must be
315.4 filed with the commissioner on a form developed by the commissioner.

315.5 (b) The commissioner must develop administrative procedures governing the application
315.6 and rebate award process. Applications must be reviewed and rebates awarded by the
315.7 commissioner on a first-come, first-served basis.

315.8 (c) The commissioner may reduce the rebate amounts provided under subdivision 3 or
315.9 restrict program eligibility based on fund availability or other factors.

315.10 Subd. 6. **Expiration.** This section expires June 30, 2024.

315.11 Sec. 46. **[216C.402] ELECTRIC VEHICLE PUBLIC CHARGING GRANT**
315.12 **PROGRAM.**

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

315.15 (b) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

315.16 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
315.17 vehicle's batteries by connecting the electric vehicle to:

315.18 (1) a level two charger that provides a 208- or 240-volt alternating current power source;
315.19 or

315.20 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

315.21 (d) "Park-and-ride facility" has the meaning given in section 174.256, subdivision 2,
315.22 paragraph (b).

315.23 (e) "Public electric vehicle charging station" means an electric charging station located
315.24 at a publicly available parking space.

315.25 Subd. 2. **Program.** (a) The commissioner must award grants to help fund the installation
315.26 of a network of public electric vehicle charging stations in Minnesota, including locations
315.27 in state and regional parks, trailheads, and park-and-ride facilities. The commissioner must
315.28 issue a request for proposals to entities that have experience installing, owning, operating,
315.29 and maintaining electric vehicle charging stations. The request for proposal must establish
315.30 technical specifications that electric vehicle charging stations are required to meet.

316.1 (b) The commissioner must consult with the commissioner of natural resources to develop
 316.2 optimal locations for electric vehicle charging stations in state and regional parks, and with
 316.3 the commissioner of transportation to develop optimal locations for electric vehicle charging
 316.4 stations at park-and-ride facilities.

316.5 Subd. 3. **Electricity supplier.** Electricity dispensed from an electric vehicle charging
 316.6 station funded under this act must be purchased from the public utility subject to section
 316.7 116C.779, subdivision 1.

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

316.9 Sec. 47. Minnesota Statutes 2018, section 216C.435, subdivision 3a, is amended to read:

316.10 Subd. 3a. **Cost-effective energy improvements.** "Cost-effective energy improvements"
 316.11 mean:

316.12 (1) any new construction, renovation, or retrofitting of:

316.13 ~~(i)~~ qualifying commercial real property to improve energy efficiency that is permanently
 316.14 affixed to the property, results in a net reduction in energy consumption without altering
 316.15 the principal source of energy, and has been identified in an energy audit as repaying the
 316.16 purchase and installation costs in 20 years or less, based on the amount of future energy
 316.17 saved and estimated future energy prices; or

316.18 ~~(ii)~~ (2) any renovation or retrofitting of qualifying residential real property that is
 316.19 permanently affixed to the property and is eligible to receive an incentive through a program
 316.20 offered by the electric or natural gas utility that provides service under section 216B.241
 316.21 to the property or is otherwise determined to be a cost-effective energy improvement by
 316.22 the commissioner under section 216B.241, subdivision 1d, paragraph (a);

316.23 ~~(2)~~ (3) permanent installation of new or upgraded electrical circuits and related equipment
 316.24 to enable electrical vehicle charging; or

316.25 ~~(3)~~ (4) a solar voltaic or solar thermal energy system attached to, installed within, or
 316.26 proximate to a building that generates electrical or thermal energy from a renewable energy
 316.27 source that has been identified in an energy audit or renewable energy system feasibility
 316.28 study as repaying their purchase and installation costs in 20 years or less, based on the
 316.29 amount of future energy saved and estimated future energy prices.

317.1 Sec. 48. Minnesota Statutes 2018, section 216C.435, subdivision 8, is amended to read:

317.2 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
317.3 means a multifamily residential dwelling, or a commercial or industrial building, that the
317.4 implementing entity has determined, after review of an energy audit or renewable energy
317.5 system feasibility study, can be benefited by installation of cost-effective energy
317.6 improvements. Qualifying commercial real property includes new construction.

317.7 Sec. 49. Minnesota Statutes 2018, section 216C.436, subdivision 4, is amended to read:

317.8 Subd. 4. **Financing terms.** Financing provided under this section must have:

317.9 (1) a cost-weighted average maturity not exceeding the useful life of the energy
317.10 improvements installed, as determined by the implementing entity, but in no event may a
317.11 term exceed 20 years;

317.12 (2) a principal amount not to exceed the lesser of:

317.13 (i) the greater of 20 percent of the assessed value of the real property on which the
317.14 improvements are to be installed or 20 percent of the real property's appraised value, accepted
317.15 or approved by the mortgage lender; or

317.16 (ii) the actual cost of installing the energy improvements, including the costs of necessary
317.17 equipment, materials, and labor, the costs of each related energy audit or renewable energy
317.18 system feasibility study, and the cost of verification of installation; and

317.19 (3) an interest rate sufficient to pay the financing costs of the program, including the
317.20 issuance of bonds and any financing delinquencies.

317.21 Sec. 50. Minnesota Statutes 2018, section 216C.436, is amended by adding a subdivision
317.22 to read:

317.23 Subd. 10. **Improvements; real property or fixture.** A cost-effective energy improvement
317.24 financed under a PACE loan program, including all equipment purchased in whole or in
317.25 part with loan proceeds under a loan program, is deemed real property or a fixture attached
317.26 to the real property.

317.27 Sec. 51. **[216C.45] POWER PLANT HOST COMMUNITY TRANSITION**
317.28 **PLANNING.**

317.29 The commissioner of commerce must coordinate with the commissioner of labor and
317.30 industry and the commissioner of employment and economic development to develop plans,
317.31 programs, and recommendations to mitigate the impacts on host communities and workers

318.1 resulting from the retirement of large electric generation facilities. The commissioners must
318.2 confer with stakeholders in preparing these plans and programs, including representatives
318.3 of local government units that host large electric generation facilities, workers and contractors
318.4 at large generation facilities, and the utilities that own large electric generation facilities.

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

318.6 Sec. 52. Minnesota Statutes 2018, section 216F.04, is amended to read:

318.7 **216F.04 SITE PERMIT.**

318.8 (a) No person may construct an LWECs without a site permit issued by the Public
318.9 Utilities Commission.

318.10 (b) Any person seeking to construct an LWECs shall submit an application to the
318.11 commission for a site permit in accordance with this chapter and any rules adopted by the
318.12 commission. The permitted site need not be contiguous land.

318.13 (c) The commission shall make a final decision on an application for a site permit for
318.14 an LWECs within 180 days after acceptance of a complete application by the commission.
318.15 The commission may extend this deadline for cause.

318.16 (d) The commission may place conditions in a permit and may deny, modify, suspend,
318.17 or revoke a permit.

318.18 (e) The commission may require, as a condition of permit issuance, that the recipient of
318.19 a site permit to construct an LWECs with a nameplate capacity above 25,000 kilowatts and
318.20 all of the permit recipient's construction contractors and subcontractors on the project pay
318.21 the prevailing wage rate, as defined in section 177.42. The commission may also require,
318.22 as a condition of modifying a site permit for an LWECs repowering project as defined in
318.23 section 216B.243, subdivision 8, paragraph (b), that the recipient of the site permit and all
318.24 of the recipient's construction contractors and subcontractors on the repowering project pay
318.25 the prevailing wage rate as defined in section 177.42.

318.26 Sec. 53. Minnesota Statutes 2018, section 216F.08, is amended to read:

318.27 **216F.08 PERMIT AUTHORITY; ASSUMPTION BY COUNTIES.**

318.28 (a) A county board may, by resolution and upon written notice to the Public Utilities
318.29 Commission, assume responsibility for processing applications for permits required under
318.30 this chapter for LWECs with a combined nameplate capacity of less than 25,000 kilowatts.
318.31 The responsibility for permit application processing, if assumed by a county, may be
318.32 delegated by the county board to an appropriate county officer or employee. Processing by

319.1 a county shall be done in accordance with procedures and processes established under
319.2 chapter 394.

319.3 (b) A county board that exercises its option under paragraph (a) may issue, deny, modify,
319.4 impose conditions upon, or revoke permits pursuant to this section. The action of the county
319.5 board about a permit application is final, subject to appeal as provided in section 394.27.

319.6 (c) The commission shall, by order, establish general permit standards, including
319.7 appropriate property line set-backs, governing site permits for LWECS under this section.
319.8 The order must consider existing and historic commission standards for wind permits issued
319.9 by the commission. The general permit standards shall apply to permits issued by counties
319.10 and to permits issued by the commission for LWECS with a combined nameplate capacity
319.11 of less than 25,000 kilowatts. The commission or a county may grant a variance from a
319.12 general permit standard if the variance is found to be in the public interest, provided all
319.13 LWECS site permits issued by the commission or a county and all modifications of site
319.14 permits issued by the commission or a county for repowering projects comply with the
319.15 prevailing wage rate requirements under section 216F.04, paragraph (e).

319.16 (d) The commission and the commissioner of commerce shall provide technical assistance
319.17 to a county with respect to the processing of LWECS site permit applications.

319.18 Sec. 54. Minnesota Statutes 2018, section 326B.106, is amended by adding a subdivision
319.19 to read:

319.20 Subd. 16. **Voluntary adoption of stretch code.** The Construction Codes Advisory
319.21 Council must establish a voluntary code of standards for the construction, reconstruction,
319.22 and alteration of public and private commercial and multifamily residential buildings, as
319.23 an appendix to the State Building Code. This voluntary code of standards must conform to
319.24 Sustainable Building 2030 standards, as defined in section 216B.241, subdivision 9, which
319.25 applies additional performance requirements without altering any underlying codes or safety
319.26 standards. The code sections contained in this appendix may be adopted by a local jurisdiction
319.27 at its election and become an official addendum to the baseline energy code in the
319.28 jurisdictions adopting them. When adopting the code sections contained in the appendix,
319.29 the local jurisdiction must not amend the code sections, but may specify a minimum size
319.30 for the buildings the stretch code will apply to. The minimum size must be at least 10,000
319.31 square feet.

320.1 Sec. 55. **METROPOLITAN COUNCIL; ELECTRIC BUS PURCHASES.**

320.2 After the effective date of this act and until the appropriation made in section 61,
320.3 subdivision 5, is exhausted, any bus purchased by the Metropolitan Council for Metro
320.4 Transit bus service must operate solely on electricity provided by rechargeable on-board
320.5 batteries. The appropriation in section 61, subdivision 5, must be used to pay the incremental
320.6 cost of buses that operate solely on electricity provided by rechargeable on-board batteries
320.7 over diesel-operated buses that are otherwise comparable in size, features, and performance.

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

320.9 Sec. 56. **ELECTRIC SCHOOL BUS DEMONSTRATION GRANT.**

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

320.12 (b) "Electric school bus" means a school bus powered solely by an electric motor drawing
320.13 current from rechargeable storage batteries, fuel cells, or other portable sources of electric
320.14 current.

320.15 (c) "Electric vehicle charging station" means infrastructure that recharges an electric
320.16 vehicle's batteries by connecting the electric vehicle to:

320.17 (1) a level 2 charger that provides a 240-volt alternating current power source; or

320.18 (2) a DC fast charger that has an electric output of 20 kilowatts or greater.

320.19 (d) "Private school bus contractor" means a person who contracts with a school district
320.20 to transport school district students to and from school and school activities on school buses
320.21 owned and operated by the person.

320.22 (e) "School bus" has the meaning given in Minnesota Statutes, section 169.011,
320.23 subdivision 71. School bus does not include a Type III vehicle, as defined in Minnesota
320.24 Statutes, section 169.011, paragraph (h).

320.25 (f) "School district" means an independent or special school district.

320.26 Subd. 2. **Purpose.** The commissioner of education must award a grant to a school district
320.27 to purchase an electric school bus as a demonstration project to enable the school district,
320.28 the electric utility serving the school district, and, if applicable, the private school bus
320.29 contractor providing transportation services to the school district to gain experience operating
320.30 an electric school bus and to assess its performance.

321.1 Subd. 3. **Eligibility.** A school district located within the electric retail service area of
321.2 the public utility subject to Minnesota Statutes, section 116C.779, subdivision 1, that owns
321.3 and operates school buses or contracts with a private school bus contractor is eligible to
321.4 apply for a grant under this section.

321.5 Subd. 4. **Application process.** An eligible applicant must submit an application to the
321.6 commissioner of education on a form designed by the commissioner of education. The
321.7 commissioner of education must develop administrative procedures governing the application
321.8 and grant award process.

321.9 Subd. 5. **Application content.** An application for a grant under this section must include:

321.10 (1) the name of the school district or districts where the electric school bus is proposed
321.11 to operate;

321.12 (2) a description of the route, timing of operation, number of students to be transported,
321.13 and other factors affecting the performance characteristics that an electric school bus
321.14 performance must meet;

321.15 (3) certification from the electric utility serving the school district, and, if applicable,
321.16 the private school bus contractor providing transportation services to the school district,
321.17 that the electric utility and private school bus contractor fully support and are full partners
321.18 in implementing the demonstration project, including a list of tasks the electric utility and
321.19 private school bus contractor commit to conduct and any voluntary financial contributions
321.20 to the project;

321.21 (4) certification from the electric utility serving the school district that it commits to pay
321.22 the costs to purchase and install an electric vehicle charging station in a convenient location
321.23 to recharge the batteries of the electric school bus;

321.24 (5) evidence that the proposed electric school bus has access to an electric vehicle
321.25 charging station at a convenient location;

321.26 (6) if the school district contracts with a private school bus contractor:

321.27 (i) a copy of a signed agreement between the school district and the private school bus
321.28 contractor that protects the state's interest in the electric school bus purchased with the grant
321.29 in the case of the termination of the private school bus contractor's contract with the school
321.30 district or other contingencies; and

321.31 (ii) written certification that any revenues paid to the private school bus contractor by
321.32 the utility providing retail electric service to the private school bus contractor that result

322.1 from the purchase of or access to the electricity stored in the batteries of the electric school
322.2 bus purchased with a grant under this section must be forwarded to the school district; and
322.3 (7) any additional information required by the commissioner of education.

322.4 Subd. 6. **Eligible expenditures.** Grant funds awarded under this section may be expended
322.5 to:

322.6 (1) purchase an electric school bus;

322.7 (2) pay the cost of electricity to charge the batteries of the electric school bus; and

322.8 (3) pay repair and maintenance costs for the electric school bus.

322.9 Subd. 7. **Reports.** On or before the first anniversary of the initial operation of a school
322.10 bus funded by a grant under this section, and on or before the same date in each of the
322.11 following two years, the school district awarded the grant, in collaboration with the electric
322.12 utility serving the school district, and, if applicable, the private school bus contractor
322.13 providing transportation services to the school district, must submit a report describing the
322.14 performance of the electric school bus to the chairs and ranking minority members of the
322.15 senate and house of representatives committees with primary jurisdiction over energy policy,
322.16 transportation policy, and education policy, and to the commissioner of education. At a
322.17 minimum, the report must contain the following information regarding the performance of
322.18 the electric school bus:

322.19 (1) the number of miles traveled per day and per year;

322.20 (2) the cost of recharging, and any steps taken to minimize the costs by charging at
322.21 off-peak times;

322.22 (3) operating costs per mile;

322.23 (4) miles driven per kilowatt hour;

322.24 (5) the number of days the electric school bus was out of service for repairs;

322.25 (6) discussion of the qualitative aspects of performance, including the impact of extreme
322.26 cold on bus performance; and

322.27 (7) any other information deemed relevant by the school district.

322.28 Sec. 57. **GREENHOUSE GAS EMISSIONS REDUCTION STRATEGY; REPORT.**

322.29 (a) The commissioner of commerce must develop benchmarks and strategies designed
322.30 to significantly accelerate the reduction in greenhouse gas emissions in Minnesota by 2030,
322.31 including strategies to:

- 323.1 (1) increase energy efficiency in all buildings, including residential;
- 323.2 (2) provide consumers with tools to manage personal energy use automatically, remotely,
- 323.3 and electronically;
- 323.4 (3) present consumers with financial incentives to shift energy use to periods when
- 323.5 systemwide demand and the cost of generation are low;
- 323.6 (4) work toward electrifying all sectors of the economy currently powered by fossil
- 323.7 fuels;
- 323.8 (5) increase carbon sequestration in Minnesota lands and wetlands;
- 323.9 (6) incentivize the adoption of energy storage systems to accelerate the use of wind and
- 323.10 solar resources; and
- 323.11 (7) modernize the electric grid and promote the use of distributed energy resources.
- 323.12 (b) By November 30, 2019, the commissioner must submit a report containing the
- 323.13 benchmarks and strategies to the chairs and ranking minority members of the senate and
- 323.14 house of representatives committees with primary jurisdiction over energy policy.

323.15 Sec. 58. **PRAIRIE ISLAND RENEWABLE ENERGY.**

323.16 Subdivision 1. **Program established.** The Prairie Island Renewable Energy Project is

323.17 established to enable the Prairie Island Indian Community to develop renewable energy

323.18 systems.

323.19 Subd. 2. **Grant.** The commissioner of employment and economic development must

323.20 enter into a grant contract with the Prairie Island Indian Community to provide funding to

323.21 stimulate implementation of renewable energy projects benefiting the Prairie Island Indian

323.22 Community or its members. Renewable energy projects under this section include but are

323.23 not limited to geothermal energy and on-site community solar gardens at Prairie Island,

323.24 Upper Island, Mount Frontenac, the assisted living center located near the intersection of

323.25 Highway 361 and signed U.S. Highway 61, and any residential development on land owned

323.26 by the Prairie Island Indian Community in West Lakeland Township. Any examination

323.27 conducted by the commissioner of employment and economic development to determine

323.28 the sufficiency of the financial stability and capacity of the Prairie Island Indian Community

323.29 to carry out the purposes of this grant is limited to the Community Services Department of

323.30 the Prairie Island Indian Community.

323.31 Subd. 3. **Report.** The Prairie Island Indian Community must file a report on July 1,

323.32 2020, and each July 1 thereafter until the project is complete, describing the progress made

324.1 in implementing the project and the uses of expended funds. A final report must be completed
324.2 within 90 days of the date the project is complete.

324.3 **EFFECTIVE DATE.** This section is effective June 1, 2019.

324.4 Sec. 59. **COORDINATED ELECTRIC TRANSMISSION STUDY.**

324.5 (a) Each entity subject to Minnesota Statutes, section 216B.2425, must participate in a
324.6 coordinated engineering study to identify transmission network enhancements necessary to
324.7 maintain system reliability in the event large generation resources are retired. Specifically,
324.8 the study must evaluate what enhancements are necessary in the event large generation
324.9 resources that reach the end of the large generation resource's depreciation term or operating
324.10 license term within 20 years of the effective date of this section are retired. The study must
324.11 also evaluate the transmission enhancements that may be necessary to interconnect
324.12 replacement generation, including but not limited to:

324.13 (1) 7,000 megawatts of generation from eligible energy technologies, as defined in
324.14 Minnesota Statutes, section 216B.1691, subdivision 1, by 2025; and

324.15 (2) any replacement generation and renewable resource additions, including generation
324.16 tie lines, anticipated to occur by 2035 in any utility's integrated resource plan filed with or
324.17 approved by the Public Utilities Commission.

324.18 (b) When setting the scope for the study and as needed while the study is being conducted,
324.19 utilities must consult with the commissioner of commerce, technical representatives of
324.20 renewable energy resource developers, and other interested entities to discuss and identify
324.21 needed generation tie lines to support the continued orderly development of renewable
324.22 resources in Minnesota. The study must include any analysis performed by the Midcontinent
324.23 Independent System Operator.

324.24 (c) A report on the study must be completed and submitted to the Public Utilities
324.25 Commission by November 1, 2020, and include a preliminary plan to build the needed
324.26 transmission network enhancements. Reasonable and prudent costs for the study are
324.27 recoverable through the mechanism provided under Minnesota Statutes, section 216B.1645,
324.28 subdivision 2.

324.29 Sec. 60. **ENERGY UTILITY DIVERSITY STAKEHOLDER GROUP; REPORT.**

324.30 (a) The Public Utilities Commission must convene a stakeholder group to examine the
324.31 challenges and opportunities for Minnesota's energy utilities to attract a diverse workforce
324.32 with the skills needed to advance a 21st century industry and to increase the supplier diversity

325.1 of energy utilities. The stakeholder group must include but is not limited to stakeholders
325.2 representative of public utilities as defined in Minnesota Statutes, section 216B.02,
325.3 subdivision 4, municipal, electric, or gas utilities, and electric or gas cooperative associations.
325.4 The executive director of the commission must convene the first meeting of the stakeholder
325.5 group.

325.6 (b) The stakeholder group must:

325.7 (1) examine current and projected employment in the energy utility sector;

325.8 (2) provide information on possible approaches to assist workers and energy utilities to
325.9 develop a diverse workforce that has the skills to build, maintain, and operate the electricity
325.10 system of the future;

325.11 (3) review key trends that have shaped employment in this sector and the demographics
325.12 of the sector, including the underrepresentation of women, veterans, and minorities in
325.13 employment and leadership;

325.14 (4) identify the challenges to replacing retiring workers;

325.15 (5) examine the imbalance of available worker skills to utility workforce needs; and

325.16 (6) identify the challenges and possible approaches to increasing supplier diversity.

325.17 (c) The stakeholder group must also consider whether information regarding workforce
325.18 and supplier diversity should be included and considered as part of any resource plan filed
325.19 by a utility with the commission.

325.20 (d) By January 15, 2020, the stakeholder group must issue a report to the chairs and
325.21 ranking minority members of the house of representatives and senate committees with
325.22 jurisdiction over energy policy and finance identifying its findings and recommendations
325.23 for establishing a more diverse workforce and increasing supplier diversity within the electric
325.24 energy sector.

325.25 Sec. 61. **APPROPRIATION.**

325.26 Subdivision 1. **University of Minnesota renewable energy transition.** (a)

325.27 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
325.28 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
325.29 established under Minnesota Statutes, section 116C.779, subdivision 1, to the Board of
325.30 Regents of the University of Minnesota to establish goals and benchmarks and implement
325.31 a rapid transition toward the use of renewable fuels for electricity and thermal energy in
325.32 campus buildings by 2030. This appropriation may only be expended on activities located

326.1 within the electric service area of the public utility subject to Minnesota Statutes, section
326.2 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

326.3 (b) As a condition of receiving the appropriation under paragraph (a), the Board of
326.4 Regents of the University of Minnesota must submit a report by January 15, 2020, and
326.5 biennially thereafter until January 15, 2030, on the progress made toward the goals and
326.6 benchmarks established under paragraph (a) to the chairs and ranking minority members
326.7 of the senate and house of representatives committees and divisions with jurisdiction over
326.8 energy, climate, the environment, and natural resources.

326.9 Subd. 2. **Minnesota State Colleges and Universities renewable energy transition.** (a)
326.10 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
326.11 \$6,000,000 in fiscal year 2020 is appropriated from the renewable development account
326.12 established in Minnesota Statutes, section 116C.779, subdivision 1, to the Board of Trustees
326.13 of the Minnesota State Colleges and Universities to establish goals and benchmarks and
326.14 implement a rapid transition toward the use of renewable fuels for electricity and thermal
326.15 energy in campus buildings by 2030. This appropriation may only be expended on activities
326.16 located within the electric service area of the public utility subject to Minnesota Statutes,
326.17 section 116C.779, subdivision 1. This appropriation is available until December 31, 2024.

326.18 (b) As a condition of receiving the appropriation provided under paragraph (a), the Board
326.19 of Trustees of the Minnesota State Colleges and Universities must submit a report by January
326.20 15, 2020, and biennially thereafter until January 15, 2030, on the steps taken and progress
326.21 made toward achieving the goals and benchmarks established under paragraph (a) to the
326.22 chairs and ranking minority members of the senate and house of representatives committees
326.23 and divisions with jurisdiction over energy, climate, the environment, and natural resources.

326.24 Subd. 3. **Solar devices.** Notwithstanding Minnesota Statutes, section 116C.779,
326.25 subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2020 is appropriated from the
326.26 renewable development account established in Minnesota Statutes, section 116C.779,
326.27 subdivision 1, to the commissioner of natural resources to install and expand solar
326.28 photovoltaic or solar thermal energy devices in state parks served with electricity by the
326.29 public utility subject to Minnesota Statutes, section 116C.779, subdivision 1. The department
326.30 owns any renewable energy credits associated with the electricity generated by a solar
326.31 photovoltaic device funded with this appropriation. This appropriation is available until
326.32 December 31, 2024.

326.33 Subd. 4. **Solar for schools.** Notwithstanding Minnesota Statutes, section 116C.779,
326.34 subdivision 1, paragraph (j), \$16,000,000 in fiscal year 2020 is appropriated from the

327.1 renewable development account established under Minnesota Statutes, section 116C.779,
327.2 subdivision 1, to the commissioner of commerce for transfer to the public utility that is
327.3 subject to Minnesota Statutes, section 216C.376, to award grants and financial assistance
327.4 to schools under the solar for schools program under Minnesota Statutes, section 216C.376.
327.5 This appropriation is available until December 31, 2024.

327.6 Subd. 5. **Metropolitan Council; electric buses.** Notwithstanding Minnesota Statutes,
327.7 section 116C.779, subdivision 1, paragraph (j), \$8,000,000 in fiscal year 2019 is appropriated
327.8 from the renewable development account under Minnesota Statutes, section 116C.779,
327.9 subdivision 1, to the Metropolitan Council to defray the cost of purchasing electric buses,
327.10 as described in section 55. Any funds remaining from this appropriation that are insufficient
327.11 to fully fund the incremental cost of purchasing an electric bus rather than a diesel-operated
327.12 bus cancel back to the renewable development account. This appropriation is available until
327.13 December 31, 2020.

327.14 Subd. 6. **Electric school bus grant.** Notwithstanding Minnesota Statutes, section
327.15 116C.779, subdivision 1, paragraph (j), \$500,000 in fiscal year 2020 is appropriated from
327.16 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
327.17 1, to the commissioner of education to award a grant to a school district located within the
327.18 retail electric service area of the public utility subject to Minnesota Statutes, section
327.19 116C.779, subdivision 1, to purchase an electric school bus. This appropriation is available
327.20 until December 31, 2024.

327.21 Subd. 7. **Community solar garden administration.** (a) Notwithstanding Minnesota
327.22 Statutes, section 116C.779, subdivision 1, paragraph (j), \$750,000 in fiscal year 2020 and
327.23 \$750,000 in fiscal year 2021 are appropriated from the renewable development account
327.24 established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
327.25 commerce for the purpose of funding the Department of Commerce's administrative and
327.26 enforcement activities under Minnesota Statutes, section 216B.1641, subdivision 4.

327.27 (b) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph
327.28 (j), \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021 are appropriated from
327.29 the renewable development account established in Minnesota Statutes, section 116C.779,
327.30 subdivision 1, to the commissioner of commerce for grants under Minnesota Statutes, section
327.31 216B.1643.

327.32 (c) Up to three percent of the appropriation made in paragraph (b) is available to the
327.33 commissioner of commerce for the reasonable costs of administrating the grant program in
327.34 Minnesota Statutes, section 216B.1643.

328.1 Subd. 8. **Prairie Island Renewable Energy project.** Notwithstanding Minnesota
328.2 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2020 and
328.3 \$3,000,000 in fiscal year 2021 are appropriated from the renewable development account
328.4 under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of
328.5 employment and economic development for a grant to the Prairie Island Indian Community
328.6 to implement the Prairie Island Renewable Energy project under section 58. This
328.7 appropriation is onetime and is available until December 31, 2024.

328.8 Subd. 9. **Electric vehicle rebates.** Notwithstanding Minnesota Statutes, section 116C.779,
328.9 subdivision 1, paragraph (j), \$10,400,000 in fiscal year 2020 is appropriated from the
328.10 renewable development account established in Minnesota Statutes, section 116C.779,
328.11 subdivision 1, to the commissioner of commerce to award rebates to eligible electric vehicle
328.12 purchasers under Minnesota Statutes, section 216C.401. Appropriations from this paragraph
328.13 must be used to award rebates to eligible purchasers who reside within the retail electric
328.14 service area of the public utility subject to Minnesota Statutes, section 116C.779, subdivision
328.15 1. This appropriation is available until December 31, 2024.

328.16 Subd. 10. **Electric vehicle charging stations.** Notwithstanding Minnesota Statutes,
328.17 section 116C.779, subdivision 1, paragraph (j), \$2,500,000 in fiscal year 2020 is appropriated
328.18 from the renewable development account established in Minnesota Statutes, section
328.19 116C.779, subdivision 1, to the commissioner of commerce to award grants to install electric
328.20 vehicle charging stations under Minnesota Statutes, section 216C.402. Appropriations from
328.21 this paragraph must be used to award grants to install electric vehicle charging stations
328.22 within the retail electric service area of the public utility subject to Minnesota Statutes,
328.23 section 116C.779, subdivision 1. Up to \$600,000 of this appropriation may be used to fund
328.24 electric vehicle charging stations in state and regional parks and up to \$100,000 may be
328.25 used to fund electric vehicle charging stations in park-and-ride facilities. Unexpended funds
328.26 from this \$700,000 may be used to fund electric vehicle charging stations in either location.
328.27 This appropriation is available until December 31, 2024.

328.28 Subd. 11. **Stretch code.** Notwithstanding Minnesota Statutes, section 116C.779,
328.29 subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 is appropriated from the renewable
328.30 development account established in Minnesota Statutes, section 116C.779, subdivision 1,
328.31 to the commissioner of commerce for transfer to the Center for Sustainable Building Research
328.32 at the University of Minnesota to provide technical assistance to local jurisdictions that
328.33 adopt a voluntary stretch code under Minnesota Statutes, section 326B.106, subdivision 16.
328.34 This is a onetime appropriation. This appropriation is available until December 31, 2024.

329.1 Subd. 12. **Coordinated electric transmission study.** Notwithstanding Minnesota
329.2 Statutes, section 116C.779, subdivision 1, paragraph (j), \$1,000,000 in fiscal year 2020 is
329.3 appropriated from the renewable development account established in Minnesota Statutes,
329.4 section 116C.779, subdivision 1, to the commissioner of commerce to conduct the
329.5 transmission study required under section 59.

329.6 Subd. 13. **Solar incentive program.** Notwithstanding Minnesota Statutes, section
329.7 116C.779, subdivision 1, paragraph (j), \$5,000,000 in fiscal year 2019 is appropriated from
329.8 the renewable development account under Minnesota Statutes, section 116C.779, subdivision
329.9 1, to the commissioner of commerce for transfer to a public utility that is subject to Minnesota
329.10 Statutes, section 116C.779, subdivision 1, for the purpose of Minnesota Statutes, section
329.11 116C.7792. This appropriation must be expended by December 31, 2019.

329.12 Subd. 14. **Made in Minnesota; administration.** Notwithstanding Minnesota Statutes,
329.13 section 116C.779, subdivision 1, paragraph (j), \$100,000 in fiscal year 2020 and \$100,000
329.14 in fiscal year 2021 are appropriated from the renewable development account under
329.15 Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for
329.16 the purpose of administering the Made in Minnesota program under Minnesota Statutes,
329.17 section 216C.417.

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

329.19 Sec. 62. **REPEALER.**

329.20 Minnesota Statutes 2018, section 216B.241, subdivisions 1, 2c, and 4, are repealed.

181.9413 SICK LEAVE BENEFITS; CARE OF RELATIVES.

(a) An employee may use personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's child, as defined in section 181.940, subdivision 4, adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury. This section applies only to personal sick leave benefits payable to the employee from the employer's general assets.

(b) An employee may use sick leave as allowed under this section for safety leave, whether or not the employee's employer allows use of sick leave for that purpose for such reasonable periods of time as may be necessary. Safety leave may be used for assistance to the employee or assistance to the relatives described in paragraph (a). For the purpose of this section, "safety leave" is leave for the purpose of providing or receiving assistance because of sexual assault, domestic abuse, or stalking. For the purpose of this paragraph:

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

(2) "sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352; and

(3) "stalking" has the meaning given in section 609.749.

(c) An employer may limit the use of safety leave as described in paragraph (b) or personal sick leave benefits provided by the employer for absences due to an illness of or injury to the employee's adult child, spouse, sibling, parent, mother-in-law, father-in-law, grandchild, grandparent, or stepparent to no less than 160 hours in any 12-month period. This paragraph does not apply to absences due to the illness or injury of a child, as defined in section 181.940, subdivision 4.

(d) For purposes of this section, "personal sick leave benefits" means time accrued and available to an employee to be used as a result of absence from work due to personal illness or injury, but does not include short-term or long-term disability or other salary continuation benefits.

(e) For the purpose of this section, "child" includes a stepchild and a biological, adopted, and foster child.

(f) For the purpose of this section, "grandchild" includes a step-grandchild, and a biological, adopted, and foster grandchild.

(g) This section does not prevent an employer from providing greater sick leave benefits than are provided for under this section.

(h) An employer shall not retaliate against an employee for requesting or obtaining a leave of absence under this section.

216B.241 ENERGY CONSERVATION IMPROVEMENT.

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

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

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

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

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

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

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

APPENDIX
Repealed Minnesota Statutes: H2208-1

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

(1) gas sales to:

(i) a large energy facility;

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

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

(2) electric sales to a large customer facility whose electric utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to the large customer facility.

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

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

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

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

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

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

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

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

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

(o) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

Subd. 2c. **Performance incentives.** By December 31, 2008, the commission shall review any incentive plan for energy conservation improvement it has approved under section 216B.16, subdivision 6c, and adjust the utility performance incentives to recognize making progress toward and meeting the energy-savings goals established in subdivision 1c.

APPENDIX
Repealed Minnesota Statutes: H2208-1

Subd. 4. **Federal law prohibitions.** If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

325F.75 ADVERTISING RESTRICTIONS; SCOPE; PENALTIES.

Subdivision 1. **Restrictions.** Except as provided in this section, where a plumbing license is required under section 326B.46, no person offering plumbing services may do any of the following unless the person employs a licensed master plumber or the person is a licensed master or journeyman plumber:

- (1) advertise as a plumbing contractor, master plumber, journeyman plumber, or plumber;
- (2) append the person's name to, or in connection with, the title "plumbing contractor," "master plumber," "journeyman plumber," or "plumber";
- (3) append the person's name to any other words that tend to represent the person as a plumbing contractor, master plumber, journeyman plumber, or plumber.

A person who advertises as a master plumber shall include in the advertisement the number of the person's license as a master plumber. A person who advertises as a journeyman plumber must include in the advertisement the person's master or journeyman plumber license number. A person who advertises as a plumbing contractor shall include in the advertisement the license number of the master plumber employed by the plumbing contractor.

A vehicle used to conduct plumbing business must prominently display on its exterior the license number of the master plumber or journeyman plumber performing plumbing services.

Subd. 2. **Scope.** (a) This section applies to a person advertising plumbing services if that person engages in or works at the business of plumbing or offers plumbing services in a city of 5,000 or more population.

(b) This section also applies to a person advertising plumbing services who engages in or works at the business of plumbing or offers plumbing services in a city of less than 5,000 in population that by ordinance requires licensing to do business as a master or journeyman plumber.

Subd. 3. **Penalties.** (a) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$200 for the first offense.

(b) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$1,000 for the second offense.

(c) A person who is found guilty of violating subdivision 1 is subject to a fine not to exceed \$1,000 or imprisonment not to exceed 30 days, or both, for the third and subsequent offenses.