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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 4099

03/21/2018 Authored by Knoblach
The bill was read for the first time and referred to the Committee on Ways and Means
04/30/2018 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
Referred to the Chief Clerk for Comparison with S. F. No. 3656

1.1 A bill for an act

1.2 relating to state government; making policy and technical changes to various

1.3 agriculture-related provisions including provisions related to agriculture finance;

1.4 establishing a rural energy feasibility loan program; requiring approval of certain

1.5 proposed rules; authorizing the sale of certain bonds; modifying environmental,

1.6 natural resource, and game and fish provisions; modifying Water Law; modifying

1.7 Clean Water Legacy Act; modifying solid waste provisions; modifying certain

1.8 penalties; modifying requirements for fencing abandoned mines; creating accounts;

1.9 providing for disposition of certain receipts; requiring rulemaking; making changes

1.10 to energy provisions; authorizing carbon reduction facilities; modifying the

1.11 renewable development account; establishing grant programs; regulating modular

1.12 and manufactured homes; requiring legislative review of certain rules; modifying

1.13 housing bond allocation; modifying the minimum wage for employees receiving

1.14 gratuities; making OSHA federal conformity changes; authorizing management

1.15 of Lake Winona; modifying the taconite economic development fund; increasing

1.16 certain local government borrowing limits; approving transfers of money from

1.17 certain accounts; requiring enhanced cybersecurity; establishing principles for

1.18 districting; establishing the Legislative Budget Office Oversight Commission;

1.19 establishing provisions for the Legislative Budget Office; modifying provisions

1.20 for the operations of state government; modifying provisions for the state auditor,

1.21 governor's office, Office of Administrative Hearings, Metropolitan Council, and

1.22 attorney general; establishing emergency operations and continuity of government

1.23 plans; establishing an office to receive and investigate harassment, misconduct,

1.24 and discrimination claims; establishing Fort Snelling National Landmark

1.25 Redevelopment bonding authority; transferring certain duties of Minnesota

1.26 Management and Budget to the Legislative Budget Office; transferring duties for

1.27 data practices and open meeting law from the Department of Administration to

1.28 the Office of Administrative Hearings; requiring a report on valuation method of

1.29 pipeline operating property; establishing certain pension amounts for volunteer

1.30 firefighters relief association; approving submission of a bid to host a Nordic World

1.31 Cup Ski Championship; approving construction of additional veterans homes;

1.32 changing administrative rulemaking provisions; changing campaign finance

1.33 provisions; modifying provisions for Minnesota Sports Facilities Authority;

1.34 requiring reports; making technical changes; appropriating money for certain

1.35 agencies and reducing appropriations for certain agencies; amending Minnesota

1.36 Statutes 2016, sections 1.26, subdivisions 1, 2; 3.303, by adding a subdivision;

1.37 3.8841, subdivision 9; 8.065; 10A.01, subdivision 35; 10A.02, subdivisions 7, 13;

1.38 10A.31, subdivisions 1, 3, 4, 5, 7, 10, 10b; 10A.315; 10A.321, subdivision 1;

1.39 12.09, subdivision 2; 12.21, subdivision 3; 13.02, by adding subdivisions; 13.072;

2.1 13.08, subdivision 4; 13.085, subdivisions 2, 3, 4, 5, 6, by adding a subdivision;
2.2 13.55, subdivisions 1, 2; 13.64, by adding a subdivision; 13.685; 13D.06,
2.3 subdivision 4; 14.03, subdivision 3; 14.127, subdivision 4; 14.381, by adding a
2.4 subdivision; 16A.013, by adding a subdivision; 16A.11, subdivision 1, by adding
2.5 a subdivision; 16A.965, by adding a subdivision; 16D.09; 16E.016; 16E.03,
2.6 subdivisions 4, 7, by adding a subdivision; 18C.425, subdivision 6; 18C.80,
2.7 subdivision 2; 28A.16; 41A.15, subdivision 10, by adding a subdivision; 41A.16,
2.8 subdivisions 1, 2; 41A.17, subdivision 1; 41A.18, subdivision 1; 41B.056,
2.9 subdivision 2; 41B.06; 84.0895, subdivision 2; 84.775, subdivision 1; 84.83,
2.10 subdivision 3; 84.86, subdivision 1; 84.928, subdivision 2; 86B.005, subdivision
2.11 8a; 86B.532, subdivision 1; 88.10, by adding a subdivision; 88.75, subdivision 1;
2.12 89.551; 97A.051, subdivision 2; 97A.433, subdivisions 4, 5; 97A.56, subdivision
2.13 2; 97B.015, subdivision 6; 97B.081, subdivision 3; 97B.1055; 97C.345, subdivision
2.14 3a; 103B.3369, subdivisions 5, 9, by adding a subdivision; 103B.801, subdivisions
2.15 2, 5; 103E.021, subdivision 6; 103E.071; 103G.2242, subdivision 14; 103G.287,
2.16 by adding a subdivision; 103H.275, subdivision 1; 114D.15, subdivisions 7, 11,
2.17 13, by adding subdivisions; 114D.20, subdivisions 2, 3, 5, 7, by adding
2.18 subdivisions; 114D.26; 114D.35, subdivisions 1, 3; 115.03, subdivisions 1, 5;
2.19 115.035; 115.77, subdivision 1; 115.84, subdivisions 2, 3; 115A.51; 115A.94,
2.20 subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions; 116.07, by adding a
2.21 subdivision; 116.155, subdivision 1, by adding subdivisions; 116.993, subdivisions
2.22 2, 6; 116J.394; 116J.395, subdivisions 2, 5, 7; 155A.23, subdivision 8; 155A.25,
2.23 subdivision 1a; 155A.28, by adding a subdivision; 155A.29, subdivisions 1, 6;
2.24 177.24, subdivision 1; 180.03, subdivisions 2, 3, 4; 180.10; 182.666, subdivisions
2.25 1, 2, 3, 4, 5, by adding a subdivision; 216A.03, by adding a subdivision; 216B.16,
2.26 by adding a subdivision; 216E.03, subdivision 9; 216E.04, subdivision 7; 240.01,
2.27 by adding a subdivision; 240.02, subdivision 6; 240.08, subdivision 5; 240.131,
2.28 subdivision 7; 240.22; 270C.13, subdivision 1; 290.06, subdivision 23; 297A.994,
2.29 subdivision 4; 297E.021, subdivisions 3, 4; 298.28, subdivision 9a; 299D.085, by
2.30 adding a subdivision; 326B.805, subdivision 3; 326B.815, subdivision 1; 327.31,
2.31 by adding a subdivision; 327B.041; 327C.095, subdivisions 4, 6, 12, 13, by adding
2.32 a subdivision; 340A.404, subdivision 1; 340A.412, by adding a subdivision;
2.33 349A.06, subdivision 11; 352.01, subdivision 2a; 424B.20, subdivision 4; 444.075,
2.34 subdivision 1a; 462A.222, subdivision 3; 465.73; 473.121, subdivision 5a; 473.123,
2.35 subdivisions 1, 2a, 3a, 4, by adding subdivisions; 473.146, subdivisions 3, 4;
2.36 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763, subdivision 2;
2.37 473.8441, subdivision 4; 473J.03, by adding a subdivision; 473J.07, subdivisions
2.38 2, 3, 4, 7, 8, 9, by adding subdivisions; 473J.09, subdivision 13, by adding
2.39 subdivisions; 473J.13, subdivisions 2, 3; 473J.25, subdivision 3; 473J.27,
2.40 subdivision 2; 474A.02, by adding subdivisions; 474A.03, subdivision 1; 474A.04,
2.41 subdivision 1a; 474A.047, subdivisions 1, 2; 474A.061; 474A.062; 474A.091;
2.42 474A.131; 474A.14; 480.15, by adding a subdivision; Minnesota Statutes 2017
2.43 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98,
2.44 subdivision 1; 6.481, subdivision 3; 15A.0815, subdivision 3; 16A.152, subdivision
2.45 2; 18C.70, subdivision 5; 18C.71, subdivision 4; 84.01, subdivision 6; 84.91,
2.46 subdivision 1; 84.925, subdivision 1; 84.9256, subdivision 1; 84D.03, subdivisions
2.47 3, 4; 84D.108, subdivisions 2b, 2c; 85.0146, subdivision 1; 97A.075, subdivision
2.48 1; 103G.271, subdivision 7; 116.07, subdivision 4d; 116.0714; 116C.779,
2.49 subdivision 1; 116C.7792; 169A.07; 216B.164, subdivision 5; 216B.1691,
2.50 subdivision 2f; 298.227; 477A.03, subdivision 2b; Laws 2010, chapter 361, article
2.51 4, section 78; Laws 2014, chapter 312, article 2, section 14, as amended; Laws
2.52 2015, First Special Session chapter 4, article 4, section 136, as amended; Laws
2.53 2016, chapter 189, article 3, sections 3, subdivision 5; 4; 48; Laws 2017, chapter
2.54 2, article 1, section 7, as amended; Laws 2017, chapter 88, article 1, section 2,
2.55 subdivisions 1, 2, 4, 5; Laws 2017, chapter 93, article 1, sections 3, subdivision
2.56 6; 4; article 2, sections 155, subdivision 5; 163; Laws 2017, chapter 94, article 1,
2.57 sections 2, subdivisions 2, as amended, 3; 4, subdivisions 3, 5; article 10, sections
2.58 28; 29; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58;

3.1 proposing coding for new law in Minnesota Statutes, chapters 2; 4; 5; 12; 13; 14;
 3.2 41B; 43A; 84; 97A; 103G; 115; 115B; 116; 116C; 216B; 216C; 327; 383A; 473J;
 3.3 474A; repealing Minnesota Statutes 2016, sections 3.93; 3.94; 3.95; 3.96; 8.10;
 3.4 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; 13.02, subdivision 2;
 3.5 14.381, subdivision 3; 137.50, subdivision 5; 155A.28, subdivisions 1, 3, 4; 177.24,
 3.6 subdivision 2; 216B.2423; 471.9996, subdivision 2; 473.123, subdivision 3;
 3.7 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13;
 3.8 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561;
 3.9 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595;
 3.10 473.598; 473.599; 473.76; 473J.09, subdivision 14; Minnesota Statutes 2017
 3.11 Supplement, section 3.98, subdivision 4; Laws 1994, chapter 628, article 1, section
 3.12 8; Laws 2017, First Special Session chapter 4, article 2, section 59.

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

3.14 **ARTICLE 1**

3.15 **AGRICULTURE APPROPRIATIONS**

3.16 Section 1. Laws 2017, chapter 88, article 1, section 2, subdivision 1, is amended to read:

3.17			53,148,000
3.18	Subdivision 1. Total Appropriation	\$ 53,096,000	\$ <u>53,395,000</u>

3.19	Appropriations by Fund		
3.20		2018	2019
3.21			52,751,000
3.22	General	52,703,000	<u>52,998,000</u>
3.23	Remediation	393,000	397,000

3.24 The amounts that may be spent for each
 3.25 purpose are specified in the following
 3.26 subdivisions.

3.27 Sec. 2. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

3.28	Subd. 2. Protection Services	17,821,000	17,825,000
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3.29	Appropriations by Fund		
3.30		2018	2019
3.31	General	17,428,000	17,428,000
3.32	Remediation	393,000	397,000

3.33 (a) \$25,000 the first year and \$25,000 the
 3.34 second year are to develop and maintain
 3.35 cottage food license exemption outreach and
 3.36 training materials.

3.37 (b) \$75,000 the first year and \$75,000 the
 3.38 second year are to coordinate the correctional

4.1 facility vocational training program and to
4.2 assist entities that have explored the feasibility
4.3 of establishing a USDA-certified or state
4.4 "equal to" food processing facility within 30
4.5 miles of the Northeast Regional Corrections
4.6 Center.

4.7 (c) \$125,000 the first year and \$125,000 the
4.8 second year are for additional funding for the
4.9 noxious weed and invasive plant program.

4.10 These are onetime appropriations.

4.11 (d) \$250,000 the first year and \$250,000 the
4.12 second year are for transfer to the pollinator
4.13 habitat and research account in the agricultural
4.14 fund. These are onetime transfers.

4.15 (e) \$393,000 the first year and \$397,000 the
4.16 second year are from the remediation fund for
4.17 administrative funding for the voluntary
4.18 cleanup program.

4.19 (f) \$200,000 the first year and \$200,000 the
4.20 second year are for the industrial hemp pilot
4.21 program under Minnesota Statutes, section
4.22 18K.09. These are onetime appropriations.

4.23 (g) \$175,000 the first year and \$175,000 the
4.24 second year are for compensation for
4.25 destroyed or crippled livestock under
4.26 Minnesota Statutes, section 3.737. This
4.27 appropriation may be spent to compensate for
4.28 livestock that were destroyed or crippled
4.29 during fiscal year 2017. If the amount in the
4.30 first year is insufficient, the amount in the
4.31 second year is available in the first year. The
4.32 commissioner may use up to \$5,000 of this
4.33 appropriation each year to reimburse expenses
4.34 incurred by university extension educators to

5.1 provide fair market values of destroyed or
5.2 crippled livestock.

5.3 (h) \$155,000 the first year and \$155,000 the
5.4 second year are for compensation for crop
5.5 damage under Minnesota Statutes, section
5.6 3.7371. If the amount in the first year is
5.7 insufficient, the amount in the second year is
5.8 available in the first year. The commissioner
5.9 may use up to \$30,000 of the appropriation
5.10 each year to reimburse expenses incurred by
5.11 the commissioner or the commissioner's
5.12 approved agent to investigate and resolve
5.13 claims.

5.14 If the commissioner determines that claims
5.15 made under Minnesota Statutes, section 3.737
5.16 or 3.7371, are unusually high, amounts
5.17 appropriated for either program may be
5.18 transferred to the appropriation for the other
5.19 program.

5.20 (i) \$250,000 the first year and \$250,000 the
5.21 second year are to expand current capabilities
5.22 for rapid detection, identification, containment,
5.23 control, and management of high priority plant
5.24 pests and pathogens. These are onetime
5.25 appropriations.

5.26 (j) \$300,000 the first year and \$300,000 the
5.27 second year are for transfer to the noxious
5.28 weed and invasive plant species assistance
5.29 account in the agricultural fund to award
5.30 grants to local units of government under
5.31 Minnesota Statutes, section 18.90, with
5.32 preference given to local units of government
5.33 responding to Palmer amaranth or other weeds
5.34 on the eradicate list. These are onetime
5.35 transfers.

6.1 (k) \$120,000 the first year and \$120,000 the
 6.2 second year are for wolf-livestock conflict
 6.3 prevention grants under article 2, section 89.
 6.4 The commissioner must submit a report to the
 6.5 chairs and ranking minority members of the
 6.6 legislative committees with jurisdiction over
 6.7 agriculture policy and finance by January 15,
 6.8 2020, on the outcomes of the wolf-livestock
 6.9 conflict prevention grants and whether
 6.10 livestock compensation claims were reduced
 6.11 in the areas that grants were awarded. These
 6.12 are onetime appropriations.

6.13 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

6.14 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 6.15 **Advancement**

22,581,000

22,636,000

6.16 (a) \$9,300,000 the first year and \$9,300,000
 6.17 the second year are for transfer to the
 6.18 agriculture research, education, extension, and
 6.19 technology transfer account under Minnesota
 6.20 Statutes, section 41A.14, subdivision 3. Of
 6.21 these amounts: at least \$600,000 the first year
 6.22 and \$600,000 the second year are for the
 6.23 Minnesota Agricultural Experiment Station's
 6.24 agriculture rapid response fund under
 6.25 Minnesota Statutes, section 41A.14,
 6.26 subdivision 1, clause (2); \$2,000,000 the first
 6.27 year and \$2,000,000 the second year are for
 6.28 grants to the Minnesota Agriculture Education
 6.29 Leadership Council to enhance agricultural
 6.30 education with priority given to Farm Business
 6.31 Management challenge grants; \$350,000 the
 6.32 first year and \$350,000 the second year are
 6.33 for potato breeding; and \$450,000 the first
 6.34 year and \$450,000 the second year are for the
 6.35 cultivated wild rice breeding project at the

7.1 North Central Research and Outreach Center
7.2 to include a tenure track/research associate
7.3 plant breeder. The commissioner shall transfer
7.4 the remaining funds in this appropriation each
7.5 year to the Board of Regents of the University
7.6 of Minnesota for purposes of Minnesota
7.7 Statutes, section 41A.14. Of the amount
7.8 transferred to the Board of Regents, up to
7.9 \$1,000,000 each year is for research on avian
7.10 influenza, including prevention measures that
7.11 can be taken.

7.12 To the extent practicable, funds expended
7.13 under Minnesota Statutes, section 41A.14,
7.14 subdivision 1, clauses (1) and (2), must
7.15 supplement and not supplant existing sources
7.16 and levels of funding. The commissioner may
7.17 use up to one percent of this appropriation for
7.18 costs incurred to administer the program.

7.19 (b) \$13,256,000 the first year and \$13,311,000
7.20 the second year are for the agricultural growth,
7.21 research, and innovation program in
7.22 Minnesota Statutes, section 41A.12. Except
7.23 as provided below, the commissioner may
7.24 allocate the appropriation each year among
7.25 the following areas: facilitating the start-up,
7.26 modernization, or expansion of livestock
7.27 operations including beginning and
7.28 transitioning livestock operations; developing
7.29 new markets for Minnesota farmers by
7.30 providing more fruits, vegetables, meat, grain,
7.31 and dairy for Minnesota school children;
7.32 assisting value-added agricultural businesses
7.33 to begin or expand, access new markets, or
7.34 diversify; providing funding not to exceed
7.35 \$250,000 each year for urban youth

8.1 agricultural education or urban agriculture
8.2 community development; providing funding
8.3 not to exceed \$250,000 each year for the good
8.4 food access program under Minnesota
8.5 Statutes, section 17.1017; facilitating the
8.6 start-up, modernization, or expansion of other
8.7 beginning and transitioning farms including
8.8 by providing loans under Minnesota Statutes,
8.9 section 41B.056; sustainable agriculture
8.10 on-farm research and demonstration;
8.11 development or expansion of food hubs and
8.12 other alternative community-based food
8.13 distribution systems; enhancing renewable
8.14 energy infrastructure and use; crop research;
8.15 Farm Business Management tuition assistance;
8.16 good agricultural practices/good handling
8.17 practices certification assistance; establishing
8.18 and supporting farmer-led water management
8.19 councils; and implementing farmer-led water
8.20 quality improvement practices. The
8.21 commissioner may use up to 6.5 percent of
8.22 this appropriation for costs incurred to
8.23 administer the program.

8.24 Of the amount appropriated for the agricultural
8.25 growth, research, and innovation program in
8.26 Minnesota Statutes, section 41A.12:

8.27 (1) \$1,000,000 the first year and \$1,000,000
8.28 the second year are for distribution in equal
8.29 amounts to each of the state's county fairs to
8.30 preserve and promote Minnesota agriculture;
8.31 and

8.32 (2) \$1,500,000 the first year and \$1,500,000
8.33 the second year are for incentive payments
8.34 under Minnesota Statutes, sections 41A.16,
8.35 41A.17, and 41A.18. Notwithstanding

9.1 Minnesota Statutes, section 16A.28, the first
9.2 year appropriation is available until June 30,
9.3 2019, and the second year appropriation is
9.4 available until June 30, 2020. If this
9.5 appropriation exceeds the total amount for
9.6 which all producers are eligible in a fiscal
9.7 year, the balance of the appropriation is
9.8 available for the agricultural growth, research,
9.9 and innovation program; however, the
9.10 commissioner must first issue incentive
9.11 payments under Minnesota Statutes, section
9.12 41A.17, to facilities that otherwise satisfy the
9.13 criteria and requirements in that section but
9.14 began producing renewable chemical from
9.15 forestry biomass between January 1, 2013,
9.16 and January 1, 2015.

9.17 The commissioner may use funds appropriated
9.18 under this subdivision to award up to two
9.19 value-added agriculture grants per year of up
9.20 to \$1,000,000 per grant for new or expanding
9.21 agricultural production or processing facilities
9.22 that provide significant economic impact to
9.23 the region. The commissioner may use funds
9.24 appropriated under this subdivision for
9.25 additional value-added agriculture grants for
9.26 awards between \$1,000 and \$200,000 per
9.27 grant.

9.28 Appropriations in clauses (1) and (2) are
9.29 onetime. Any unencumbered balance does not
9.30 cancel at the end of the first year and is
9.31 available for the second year. Notwithstanding
9.32 Minnesota Statutes, section 16A.28,
9.33 appropriations encumbered under contract on
9.34 or before June 30, 2019, for agricultural

10.1 growth, research, and innovation grants are
 10.2 available until June 30, ~~2021~~ 2022.

10.3 The base budget for the agricultural growth,
 10.4 research, and innovation program is
 10.5 \$14,275,000 for fiscal years 2020 and 2021
 10.6 and includes funding for incentive payments
 10.7 under Minnesota Statutes, sections 41A.16,
 10.8 41A.17, 41A.18, and 41A.20.

10.9 The commissioner must develop additional
 10.10 innovative production incentive programs to
 10.11 be funded by the agricultural growth, research,
 10.12 and innovation program.

10.13 The commissioner must consult with the
 10.14 commissioner of transportation, the
 10.15 commissioner of administration, and local
 10.16 units of government to identify parcels of
 10.17 publicly owned land that are suitable for urban
 10.18 agriculture.

10.19 (c) \$25,000 the first year and \$25,000 the
 10.20 second year are for grants to the Southern
 10.21 Minnesota Initiative Foundation to promote
 10.22 local foods through an annual event that raises
 10.23 public awareness of local foods and connects
 10.24 local food producers and processors with
 10.25 potential buyers.

10.26 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 5, is amended to read:

10.27			8,691,000
10.28	Subd. 5. Administration and Financial Assistance	8,698,000	<u>8,938,000</u>

10.29 (a) \$474,000 the first year and \$474,000 the
 10.30 second year are for payments to county and
 10.31 district agricultural societies and associations
 10.32 under Minnesota Statutes, section 38.02,
 10.33 subdivision 1. Aid payments to county and
 10.34 district agricultural societies and associations

11.1 shall be disbursed no later than July 15 of each
11.2 year. These payments are the amount of aid
11.3 from the state for an annual fair held in the
11.4 previous calendar year.

11.5 (b) \$1,000 the first year and \$1,000 the second
11.6 year are for grants to the Minnesota State
11.7 Poultry Association.

11.8 (c) \$18,000 the first year and \$18,000 the
11.9 second year are for grants to the Minnesota
11.10 Livestock Breeders Association.

11.11 (d) \$47,000 the first year and \$47,000 the
11.12 second year are for the Northern Crops
11.13 Institute. These appropriations may be spent
11.14 to purchase equipment.

11.15 (e) \$220,000 the first year and ~~\$220,000~~
11.16 \$250,000 the second year are for farm
11.17 advocate services.

11.18 (f) \$17,000 the first year and \$17,000 the
11.19 second year are for grants to the Minnesota
11.20 Horticultural Society.

11.21 (g) \$108,000 the first year and \$108,000 the
11.22 second year are for annual grants to the
11.23 Minnesota Turf Seed Council for basic and
11.24 applied research on: (1) the improved
11.25 production of forage and turf seed related to
11.26 new and improved varieties; and (2) native
11.27 plants, including plant breeding, nutrient
11.28 management, pest management, disease
11.29 management, yield, and viability. The grant
11.30 recipient may subcontract with a qualified
11.31 third party for some or all of the basic or
11.32 applied research. Any unencumbered balance
11.33 does not cancel at the end of the first year and

12.1 is available for the second year. These are
12.2 onetime appropriations.

12.3 (h) \$113,000 the first year and ~~\$113,000~~
12.4 \$330,000 the second year are for transfer to
12.5 the Board of Trustees of the Minnesota State
12.6 Colleges and Universities for statewide mental
12.7 health counseling support to farm families and
12.8 business operators through the Minnesota State
12.9 Agricultural Centers of Excellence. South
12.10 Central College and Central Lakes College
12.11 shall serve as the fiscal ~~agent~~ agents.

12.12 (i) \$550,000 the first year and \$550,000 the
12.13 second year are for grants to Second Harvest
12.14 Heartland on behalf of Minnesota's six
12.15 Feeding America food banks for the purchase
12.16 of milk for distribution to Minnesota's food
12.17 shelves and other charitable organizations that
12.18 are eligible to receive food from the food
12.19 banks. Milk purchased under the grants must
12.20 be acquired from Minnesota milk processors
12.21 and based on low-cost bids. The milk must be
12.22 allocated to each Feeding America food bank
12.23 serving Minnesota according to the formula
12.24 used in the distribution of United States
12.25 Department of Agriculture commodities under
12.26 The Emergency Food Assistance Program
12.27 (TEFAP). Second Harvest Heartland must
12.28 submit quarterly reports to the commissioner
12.29 on forms prescribed by the commissioner. The
12.30 reports must include, but are not limited to,
12.31 information on the expenditure of funds, the
12.32 amount of milk purchased, and the
12.33 organizations to which the milk was
12.34 distributed. Second Harvest Heartland may
12.35 enter into contracts or agreements with food

13.1 banks for shared funding or reimbursement of
13.2 the direct purchase of milk. Each food bank
13.3 receiving money from this appropriation may
13.4 use up to two percent of the grant for
13.5 administrative expenses. Any unencumbered
13.6 balance does not cancel at the end of the first
13.7 year and is available for the second year.

13.8 (j) \$1,100,000 the first year and \$1,100,000
13.9 the second year are for grants to Second
13.10 Harvest Heartland on behalf of the six Feeding
13.11 America food banks that serve Minnesota to
13.12 compensate agricultural producers and
13.13 processors for costs incurred to harvest and
13.14 package for transfer surplus fruits, vegetables,
13.15 and other agricultural commodities that would
13.16 otherwise go unharvested, be discarded, or
13.17 sold in a secondary market. Surplus
13.18 commodities must be distributed statewide to
13.19 food shelves and other charitable organizations
13.20 that are eligible to receive food from the food
13.21 banks. Surplus food acquired under this
13.22 appropriation must be from Minnesota
13.23 producers and processors. Second Harvest
13.24 Heartland must report in the form prescribed
13.25 by the commissioner. Second Harvest
13.26 Heartland may use up to 15 percent of each
13.27 grant for ~~matching~~ administrative and
13.28 transportation expenses. Any unencumbered
13.29 balance does not cancel at the end of the first
13.30 year and is available for the second year.

13.31 (k) \$150,000 the first year and \$150,000 the
13.32 second year are for grants to the Center for
13.33 Rural Policy and Development.

13.34 (l) \$235,000 the first year and \$235,000 the
13.35 second year are for grants to the Minnesota

- 14.1 Agricultural Education and Leadership
- 14.2 Council for programs of the council under
- 14.3 Minnesota Statutes, chapter 41D.
- 14.4 (m) \$600,000 the first year and \$600,000 the
- 14.5 second year are for grants to the Board of
- 14.6 Regents of the University of Minnesota to
- 14.7 develop, in consultation with the
- 14.8 commissioner of agriculture and the Board of
- 14.9 Animal Health, a software tool or application
- 14.10 through the Veterinary Diagnostic Laboratory
- 14.11 that empowers veterinarians and producers to
- 14.12 understand the movement of unique pathogen
- 14.13 strains in livestock and poultry production
- 14.14 systems, monitor antibiotic resistance, and
- 14.15 implement effective biosecurity measures that
- 14.16 promote animal health and limit production
- 14.17 losses. These are onetime appropriations.
- 14.18 (n) \$150,000 the first year is for the tractor
- 14.19 rollover protection pilot program under
- 14.20 Minnesota Statutes, section 17.119. This is a
- 14.21 onetime appropriation and is available until
- 14.22 June 30, 2019.
- 14.23 (o) \$400,000 the first year is for a grant to the
- 14.24 Board of Trustees of the Minnesota State
- 14.25 Colleges and Universities to expand and
- 14.26 renovate the GROW-IT Center at Metropolitan
- 14.27 State University. This is a onetime
- 14.28 appropriation.
- 14.29 By January 15, 2018, the commissioner shall
- 14.30 submit a report to the chairs and ranking
- 14.31 minority members of the legislative
- 14.32 committees with jurisdiction over agricultural
- 14.33 policy and finance with a list of inspections
- 14.34 the department conducts at more frequent
- 14.35 intervals than federal law requires, an

15.1 explanation of why the additional inspections
15.2 are necessary, and provide recommendations
15.3 for eliminating any unnecessary inspections.

15.4 **Sec. 5. RURAL FINANCE AUTHORITY.**

15.5 Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds
15.6 fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution,
15.7 article XI, section 5, paragraph (h), to purchase participation interests in or to make direct
15.8 agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is
15.9 from the bond proceeds account in the rural finance administration fund and is for the
15.10 beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring
15.11 program under Minnesota Statutes, section 41B.04; the seller-sponsored program under
15.12 Minnesota Statutes, section 41B.042; the agricultural improvement loan program under
15.13 Minnesota Statutes, section 41B.043; and the livestock expansion loan program under
15.14 Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance
15.15 this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes,
15.16 section 16A.643. Loan participations must be priced to provide full interest and principal
15.17 coverage and a reserve for potential losses. Priority for loans must be given first to basic
15.18 beginning farmer loans, second to seller-sponsored loans, and third to agricultural
15.19 improvement loans.

15.20 Subd. 2. **Bond sale expenses.** \$35,000 is appropriated from the bond proceeds fund to
15.21 the commissioner of management and budget for bond sale expenses under Minnesota
15.22 Statutes, section 16A.641, subdivision 8.

15.23 Subd. 3. **Bond sale.** To provide the money appropriated in this section from the bond
15.24 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
15.25 the state in an amount up to \$35,035,000 in the manner, upon the terms, and with the effect
15.26 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
15.27 Constitution, article XI, sections 4 to 7.

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

15.29 **ARTICLE 2**

15.30 **AGRICULTURE STATUTORY CHANGES**

15.31 Section 1. Minnesota Statutes 2016, section 18C.425, subdivision 6, is amended to read:

16.1 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the
16.2 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
16.3 pay the inspection fee to the commissioner.

16.4 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
16.5 not required to be so licensed shall pay the inspection fee to the commissioner, except as
16.6 exempted under section 18C.421, subdivision 1, paragraph (b).

16.7 (c) The person responsible for payment of the inspection fees for fertilizers, soil
16.8 amendments, or plant amendments sold and used in this state must pay an inspection fee of
16.9 39 cents per ton, and until June 30, ~~2019~~ 2029, an additional 40 cents per ton, of fertilizer,
16.10 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
16.11 \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit
16.12 all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and
16.13 education account in section 18C.80. Products sold or distributed to manufacturers or
16.14 exchanged between them are exempt from the inspection fee imposed by this subdivision
16.15 if the products are used exclusively for manufacturing purposes.

16.16 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
16.17 amendment, or soil amendment distribution amounts and inspection fees paid for a period
16.18 of three years.

16.19 Sec. 2. Minnesota Statutes 2017 Supplement, section 18C.70, subdivision 5, is amended
16.20 to read:

16.21 Subd. 5. **Expiration.** This section expires June 30, ~~2020~~ 2030.

16.22 Sec. 3. Minnesota Statutes 2017 Supplement, section 18C.71, subdivision 4, is amended
16.23 to read:

16.24 Subd. 4. **Expiration.** This section expires June 30, ~~2020~~ 2030.

16.25 Sec. 4. Minnesota Statutes 2016, section 18C.80, subdivision 2, is amended to read:

16.26 Subd. 2. **Expiration.** This section expires June 30, ~~2020~~ 2030.

16.27 Sec. 5. Minnesota Statutes 2016, section 28A.16, is amended to read:

16.28 **28A.16 PERSONS SELLING LIQUOR.**

16.29 (a) The provisions of the Minnesota consolidated food licensing law, sections 28A.01
16.30 to 28A.16 and acts amendatory thereto, shall not apply to persons licensed to sell 3.2 percent

17.1 malt liquor "on-sale" as provided in section 340A.403, or to persons licensed to sell
 17.2 intoxicating liquors "on-sale" or "off-sale" as provided in sections 340A.404 to 340A.407,
 17.3 provided that these persons sell only ice manufactured and packaged by another, or bottled
 17.4 or canned soft drinks and prepacked candy at retail.

17.5 (b) When an exclusive liquor store is not exempt under paragraph (a), the commissioner
 17.6 must exclude all gross sales of off-sale alcoholic beverages when determining the applicable
 17.7 license fee under section 28A.08, subdivision 3. For purposes of this paragraph, "exclusive
 17.8 liquor store" and "alcoholic beverage" have the meanings given in section 340A.101.

17.9 Sec. 6. Minnesota Statutes 2016, section 41A.15, is amended by adding a subdivision to
 17.10 read:

17.11 Subd. 2e. **Biomass.** "Biomass" means any organic matter that is available on a renewable
 17.12 or recurring basis, including agricultural crops and trees, wood and wood waste and residues,
 17.13 plants including aquatic plants, grasses, residues, fibers, animal waste, and the organic
 17.14 portion of solid wastes.

17.15 Sec. 7. Minnesota Statutes 2016, section 41A.15, subdivision 10, is amended to read:

17.16 Subd. 10. **Renewable chemical.** "Renewable chemical" means a chemical ~~with biobased~~
 17.17 ~~content~~, polymer, monomer, plastic, or composite material that is entirely produced from
 17.18 biomass.

17.19 Sec. 8. Minnesota Statutes 2016, section 41A.16, subdivision 1, is amended to read:

17.20 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
 17.21 source ~~from Minnesota~~ at least 80 percent ~~raw materials from Minnesota~~ of the biomass
 17.22 used to produce an advanced biofuel, except that, if a facility is sited 50 miles or less from
 17.23 the state border, ~~raw materials~~ biomass used to produce an advanced biofuel may be sourced
 17.24 from ~~outside of Minnesota~~, but only if at least 80 percent of the biomass is sourced from
 17.25 within a 100-mile radius of the facility or from within Minnesota. ~~Raw materials must be~~
 17.26 ~~from agricultural or forestry sources or from solid waste~~. The facility must be located in
 17.27 Minnesota, must begin production at a specific location by June 30, 2025, and must not
 17.28 begin operating above 23,750 MMbtu of quarterly advanced biofuel production before July
 17.29 1, 2015. Eligible facilities include existing companies and facilities that are adding advanced
 17.30 biofuel production capacity, or retrofitting existing capacity, as well as new companies and
 17.31 facilities. Production of conventional corn ethanol and conventional biodiesel is not eligible.

18.1 Eligible advanced biofuel facilities must produce at least ~~23,750~~ 1,500 MMbtu of advanced
18.2 biofuel quarterly.

18.3 (b) No payments shall be made for advanced biofuel production that occurs after June
18.4 30, 2035, for those eligible biofuel producers under paragraph (a).

18.5 (c) An eligible producer of advanced biofuel shall not transfer the producer's eligibility
18.6 for payments under this section to an advanced biofuel facility at a different location.

18.7 (d) A producer that ceases production for any reason is ineligible to receive payments
18.8 under this section until the producer resumes production.

18.9 (e) Renewable chemical production for which payment has been received under section
18.10 41A.17, and biomass thermal production for which payment has been received under section
18.11 41A.18, are not eligible for payment under this section.

18.12 (f) Biobutanol is eligible under this section.

18.13 Sec. 9. Minnesota Statutes 2016, section 41A.16, subdivision 2, is amended to read:

18.14 Subd. 2. **Payment amounts; limits.** (a) The commissioner shall make payments to
18.15 eligible producers of advanced biofuel. The amount of the payment for each eligible
18.16 producer's annual production is \$2.1053 per MMbtu for advanced biofuel production from
18.17 cellulosic biomass, and \$1.053 per MMbtu for advanced biofuel production from sugar ~~or~~
18.18 starch, oil, or animal fat at a specific location for ten years after the start of production.

18.19 (b) Total payments under this section to an eligible biofuel producer in a fiscal year may
18.20 not exceed the amount necessary for 2,850,000 MMbtu of biofuel production. Total payments
18.21 under this section to all eligible biofuel producers in a fiscal year may not exceed the amount
18.22 necessary for 17,100,000 MMbtu of biofuel production. The commissioner shall award
18.23 payments on a first-come, first-served basis within the limits of available funding.

18.24 (c) For purposes of this section, an entity that holds a controlling interest in more than
18.25 one advanced biofuel facility is considered a single eligible producer.

18.26 Sec. 10. Minnesota Statutes 2016, section 41A.17, subdivision 1, is amended to read:

18.27 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this ~~program~~ section
18.28 must source from Minnesota at least 80 percent ~~biobased content from Minnesota.~~ of the
18.29 biomass used to produce a renewable chemical, except that, if a facility is sited 50 miles or
18.30 less from the state border, ~~biobased content must~~ biomass used to produce a renewable
18.31 chemical may be sourced from outside of Minnesota, but only if at least 80 percent of the

19.1 biomass is sourced from within a 100-mile radius of the facility or from within Minnesota.
19.2 ~~Biobased content must be from agricultural or forestry sources or from solid waste.~~ The
19.3 facility must be located in Minnesota, must begin production at a specific location by June
19.4 30, 2025, and must not begin production of ~~750,000~~ 250,000 pounds of chemicals quarterly
19.5 before January 1, 2015. Eligible facilities include existing companies and facilities that are
19.6 adding production capacity, or retrofitting existing capacity, as well as new companies and
19.7 facilities. Eligible renewable chemical facilities must produce at least ~~750,000~~ 250,000
19.8 pounds of renewable chemicals quarterly. Renewable chemicals produced through processes
19.9 that are fully commercial before January 1, 2000, are not eligible.

19.10 (b) No payments shall be made for renewable chemical production that occurs after June
19.11 30, 2035, for those eligible renewable chemical producers under paragraph (a).

19.12 (c) An eligible producer of renewable chemicals shall not transfer the producer's eligibility
19.13 for payments under this section to a renewable chemical facility at a different location.

19.14 (d) A producer that ceases production for any reason is ineligible to receive payments
19.15 under this section until the producer resumes production.

19.16 (e) Advanced biofuel production for which payment has been received under section
19.17 41A.16, and biomass thermal production for which payment has been received under section
19.18 41A.18, are not eligible for payment under this section.

19.19 Sec. 11. Minnesota Statutes 2016, section 41A.18, subdivision 1, is amended to read:

19.20 Subdivision 1. **Eligibility.** (a) A facility eligible for payment under this section must
19.21 source from Minnesota at least 80 percent ~~raw materials from Minnesota.~~ of the biomass
19.22 used for biomass thermal production, except that, if a facility is sited 50 miles or less from
19.23 the state border, raw materials should biomass used for biomass thermal production may
19.24 be sourced from outside of Minnesota, but only if at least 80 percent of the biomass is
19.25 sourced from within a 100-mile radius of the facility, or from within Minnesota. ~~Raw~~
19.26 ~~materials~~ Biomass must be from agricultural or forestry sources. The facility must be located
19.27 in Minnesota, must have begun production at a specific location by June 30, 2025, and must
19.28 not begin before July 1, 2015. Eligible facilities include existing companies and facilities
19.29 that are adding production capacity, or retrofitting existing capacity, as well as new
19.30 companies and facilities. Eligible biomass thermal production facilities must produce at
19.31 least 250 MMbtu of biomass thermal quarterly.

19.32 (b) No payments shall be made for biomass thermal production that occurs after June
19.33 30, 2035, for those eligible biomass thermal producers under paragraph (a).

20.1 (c) An eligible producer of biomass thermal production shall not transfer the producer's
20.2 eligibility for payments under this section to a biomass thermal production facility at a
20.3 different location.

20.4 (d) A producer that ceases production for any reason is ineligible to receive payments
20.5 under this section until the producer resumes production.

20.6 (e) Biofuel production for which payment has been received under section 41A.16, and
20.7 renewable chemical production for which payment has been received under section 41A.17,
20.8 are not eligible for payment under this section.

20.9 Sec. 12. Minnesota Statutes 2016, section 41B.056, subdivision 2, is amended to read:

20.10 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

20.11 (b) "Intermediary" means any lending institution or other organization of a for-profit or
20.12 nonprofit nature that is in good standing with the state of Minnesota that has the appropriate
20.13 business structure and trained personnel suitable to providing efficient disbursement of loan
20.14 funds and the servicing and collection of loans.

20.15 (c) "Specialty crops" means crops produced in an aquaculture system and agricultural
20.16 crops, such as annuals, flowers, perennials, and other horticultural products, that are
20.17 intensively cultivated.

20.18 (d) "Eligible livestock" means fish produced in an aquaculture system, beef cattle, dairy
20.19 cattle, swine, poultry, goats, mules, farmed Cervidae, Ratitae, bison, sheep, horses, and
20.20 llamas.

20.21 Sec. 13. **[41B.058] RURAL ENERGY FEASIBILITY PROGRAM.**

20.22 Subdivision 1. Establishment. The authority must establish a rural energy feasibility
20.23 loan program to provide feasibility study loans to farmers, local units of government,
20.24 municipalities, and nonprofit entities to explore feasibility of renewable energy projects.

20.25 Subd. 2. Loan criteria. (a) The authority may impose a reasonable, nonrefundable
20.26 application fee for a rural energy feasibility loan. The authority may review the fee annually
20.27 and make adjustments as necessary. The initial application fee is \$50. Application fees
20.28 received by the authority must be deposited in the Rural Finance Authority administrative
20.29 account established in section 41B.03.

20.30 (b) Standards for loan amortization must be set by the authority and must not exceed
20.31 five years.

21.1 (c) The borrower must demonstrate ability to repay the loan.

21.2 (d) Loans under this program must be made using money in the revolving loan account
 21.3 established in section 41B.06.

21.4 Subd. 3. **Loan participation.** The authority may participate in a rural energy feasibility
 21.5 loan with an eligible lender, as defined in section 41B.02, subdivision 8. Participation is
 21.6 limited to 90 percent of the principal amount of the loan or \$50,000 per project, whichever
 21.7 is less.

21.8 Sec. 14. Minnesota Statutes 2016, section 41B.06, is amended to read:

21.9 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

21.10 There is established in the rural finance administration fund a Rural Finance Authority
 21.11 revolving loan account that is eligible to receive appropriations and the transfer of loan
 21.12 funds from other programs. All repayments of financial assistance granted from this account,
 21.13 including principal and interest, must be deposited into this account. Interest earned on
 21.14 money in the account accrues to the account, and the money in the account is appropriated
 21.15 to the commissioner of agriculture for purposes of the Rural Finance Authority livestock
 21.16 equipment, methane digester, disaster recovery, value-added agricultural product,
 21.17 agroforestry, agricultural microloan, ~~and~~ farm opportunity loan, and rural energy feasibility
 21.18 programs, including costs incurred by the authority to establish and administer the programs.

21.19 Sec. 15. Minnesota Statutes 2016, section 103H.275, subdivision 1, is amended to read:

21.20 Subdivision 1. **Areas where groundwater pollution is detected.** (a) If groundwater
 21.21 pollution is detected, a state agency or political subdivision that regulates an activity causing
 21.22 or potentially causing a contribution to the pollution identified shall promote implementation
 21.23 of best management practices to prevent or minimize the source of pollution to the extent
 21.24 practicable.

21.25 (b) The Pollution Control Agency, or for agricultural chemicals and practices, the
 21.26 commissioner of agriculture may adopt water source protection requirements under
 21.27 subdivision 2 that are consistent with the goal of section 103H.001 and are commensurate
 21.28 with the groundwater pollution if the implementation of best management practices has
 21.29 proven to be ineffective.

21.30 (c) The water resources protection requirements must be:

21.31 (1) designed to prevent and minimize the pollution to the extent practicable;

22.1 (2) designed to prevent the pollution from exceeding the health risk limits; and
 22.2 (3) submitted to the house of representatives and senate committees with jurisdiction
 22.3 over the environment, natural resources, and agriculture.

22.4 (d) The commissioner of agriculture shall not adopt water resource protection
 22.5 requirements under subdivision 2 for nitrogen fertilizer unless the water resource protection
 22.6 requirements are specifically approved by law.

22.7 **ARTICLE 3**

22.8 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

22.9 Section 1. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

22.10 (a) The sums shown in the columns marked "Appropriations" are added to the
 22.11 appropriations in Laws 2017, chapter 93, article 1, to the agencies and for the purposes
 22.12 specified in this article. The appropriations are from the general fund, or another named
 22.13 fund, and are available for the fiscal years indicated for each purpose. The figures "2018"
 22.14 and "2019" used in this article mean that the appropriations listed under them are available
 22.15 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is
 22.16 fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018
 22.17 and 2019. Appropriations for the fiscal year ending June 30, 2018, are effective the day
 22.18 following final enactment.

22.19 (b) If an appropriation in this article is enacted more than once in the 2018 legislative
 22.20 session, the appropriation must be given effect only once.

22.21 **APPROPRIATIONS**

22.22 **Available for the Year**

22.23 **Ending June 30**

22.24 **2018**

2019

22.25 Sec. 2. **POLLUTION CONTROL AGENCY** **\$** **-0-** **\$** **199,000**

22.26 \$199,000 the second year is from the
 22.27 environmental fund for the voluntary
 22.28 certification program for deicer applicators
 22.29 under Minnesota Statutes, section 116.2025.

22.30 The base for fiscal year 2020 and later is
 22.31 \$184,000.

22.32 Sec. 3. **NATURAL RESOURCES**

23.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>50,000</u>	<u>\$</u>	<u>2,552,000</u>
23.2	<u>Appropriations by Fund</u>					
23.3		<u>2018</u>	<u>2019</u>			
23.4	<u>General</u>	<u>-0-</u>	<u>750,000</u>			
23.5	<u>Natural Resources</u>	<u>-0-</u>	<u>1,802,000</u>			
23.6	<u>Game and Fish</u>	<u>50,000</u>	<u>-0-</u>			
23.7	<u>The amounts that may be spent for each</u>					
23.8	<u>purpose are specified in the following</u>					
23.9	<u>subdivisions.</u>					
23.10	<u>Subd. 2. Land and Mineral Resources</u>					
23.11	<u>Management</u>			<u>-0-</u>		<u>347,000</u>
23.12	<u>\$319,000 the second year is from the mineral</u>					
23.13	<u>management account in the natural resources</u>					
23.14	<u>fund for environmental research relating to</u>					
23.15	<u>mine permitting, in consultation with the</u>					
23.16	<u>Mineral Coordinating Committee.</u>					
23.17	<u>\$28,000 the second year is from the land</u>					
23.18	<u>acquisition account in the natural resources</u>					
23.19	<u>fund to compensate the permanent school fund</u>					
23.20	<u>for a road easement on school trust lands in</u>					
23.21	<u>Sand Dunes State Forest. This appropriation</u>					
23.22	<u>must be matched with nonstate money by 20</u>					
23.23	<u>percent of the total cost of the easement. This</u>					
23.24	<u>is a onetime appropriation.</u>					
23.25	<u>Subd. 3. Ecological and Water Resources</u>			<u>\$50,000</u>		<u>-0-</u>
23.26	<u>\$50,000 the first year is from the heritage</u>					
23.27	<u>enhancement account in the game and fish</u>					
23.28	<u>fund to prepare a report on the actions</u>					
23.29	<u>necessary to protect, restore, and enhance the</u>					
23.30	<u>naturally occurring wild rice in the public</u>					
23.31	<u>waters of Minnesota as required under this act.</u>					
23.32	<u>This is a onetime appropriation and is</u>					
23.33	<u>available until June 30, 2019.</u>					
23.34	<u>Subd. 4. Parks and Trails Management</u>			<u>-0-</u>		<u>1,415,000</u>

24.1 (a) \$315,000 the second year is from the
24.2 natural resources fund for a grant to St. Louis
24.3 County to be used as a match to a state
24.4 bonding grant for trail and bridge construction
24.5 and for a maintenance fund for a five-mile
24.6 segment of the Voyageur Country ATV trail
24.7 system, including a multiuse bridge over the
24.8 Vermilion River that would serve ATVs,
24.9 snowmobiles, off-road vehicles, off-highway
24.10 motorcycles, and emergency vehicles in St.
24.11 Louis County. Of this amount, \$285,000 is
24.12 from the all-terrain vehicle account, \$15,000
24.13 is from the off-road vehicle account, and
24.14 \$15,000 is from the off-highway motorcycle
24.15 account. This is a onetime appropriation and
24.16 is available until June 30, 2021.

24.17 (b) \$300,000 the second year is from the
24.18 natural resources fund for a grant to Lake
24.19 County to match other funding sources to
24.20 develop the Prospectors Loop trail system. Of
24.21 this amount, \$270,000 is from the all-terrain
24.22 vehicle account, \$15,000 is from the
24.23 off-highway motorcycle account, and \$15,000
24.24 is from the off-road vehicle account. This is
24.25 a onetime appropriation and is available until
24.26 June 30, 2021.

24.27 (c) \$100,000 the second year is from the
24.28 all-terrain vehicle account in the natural
24.29 resources fund for wetland delineation and
24.30 work on an environmental assessment
24.31 worksheet for the Taconite State Trail from
24.32 Ely to Tower consistent with the 2017
24.33 Taconite State Trail Master Plan. This is a
24.34 onetime appropriation and is available until
24.35 June 30, 2021.

25.1 (d) \$100,000 the second year is from the
25.2 all-terrain vehicle account in the natural
25.3 resources fund for a grant to the city of
25.4 Virginia to develop, in cooperation with the
25.5 Quad Cities ATV Club, an all-terrain vehicle
25.6 trail system in the cities of Virginia, Eveleth,
25.7 Gilbert, and Mountain Iron and surrounding
25.8 areas. This is a onetime appropriation and is
25.9 available until June 30, 2021.

25.10 (e) \$200,000 the second year is from the
25.11 off-road vehicle account in the natural
25.12 resources fund for a contract with a project
25.13 administrator to assist the commissioner in
25.14 planning, designing, and providing a system
25.15 of state touring routes for off-road vehicles by
25.16 identifying sustainable, legal routes suitable
25.17 for licensed four-wheel drive vehicles and a
25.18 system of recreational trails for registered
25.19 off-road vehicles. This is a onetime
25.20 appropriation.

25.21 (f) \$200,000 the second year is appropriated
25.22 from the off-road vehicle account in the
25.23 natural resources fund for a contract to prepare
25.24 a comprehensive, statewide, strategic master
25.25 plan for trails for off-road vehicles. This is a
25.26 onetime appropriation. At a minimum, the
25.27 plan must:

25.28 (1) identify opportunities to develop new,
25.29 high-quality, comprehensive trails for off-road
25.30 vehicles in a system that serves regional and
25.31 tourist destinations;

25.32 (2) enhance connectivity with trails for
25.33 off-road vehicles, trails and parks for other
25.34 off-highway vehicles, and trails and parks for
25.35 other types of vehicles;

26.1 (3) provide opportunities for new exposure
 26.2 and economic development in greater
 26.3 Minnesota;

26.4 (4) help people connect with the outdoors in
 26.5 a safe and environmentally sustainable
 26.6 manner;

26.7 (5) create new and support existing
 26.8 opportunities for social, economic, and cultural
 26.9 benefits and meaningful and mutually
 26.10 beneficial relationships for users of off-road
 26.11 vehicles and the communities that host trails
 26.12 for off-road vehicles; and

26.13 (6) require the commissioner to cooperate with
 26.14 local governments, organizations, and other
 26.15 interested partners.

26.16 (g) \$200,000 the second year is from the
 26.17 off-road vehicle account in the natural
 26.18 resources fund to reimburse federal, county,
 26.19 and township entities for additional needs on
 26.20 forest roads when the needs are a result of
 26.21 increased use by off-road vehicles and are
 26.22 attributable to a border-to-border touring route
 26.23 established by the commissioner. This
 26.24 paragraph does apply to roads that are operated
 26.25 by a public road authority as defined in
 26.26 Minnesota Statutes, section 160.02,
 26.27 subdivision 25. This is a onetime appropriation
 26.28 and is available until June 30, 2023. To be
 26.29 eligible for reimbursement under this
 26.30 paragraph, the claimant must demonstrate that
 26.31 the needs result from additional traffic
 26.32 generated by the border-to-border touring
 26.33 route.

26.34 **Subd. 5. Fish and Wildlife Management**

-0-

650,000

27.1 (a) \$650,000 the second year is for wildlife
 27.2 disease surveillance and response. This is a
 27.3 onetime appropriation.

27.4 (b) The commissioner may use up to \$7,000
 27.5 of the amount appropriated from the general
 27.6 fund in Laws 2017, chapter 93, article 1,
 27.7 section 3, subdivision 8, to cover the cost of:

27.8 (1) the redesign of the printed and digital
 27.9 versions of fishing regulations and hunting
 27.10 and trapping regulations; and (2) the
 27.11 reprogramming of the electronic licensing
 27.12 system, to conform to the requirements of
 27.13 providing voter registration information under
 27.14 Minnesota Statutes, section 97A.409.

27.15	<u>Subd. 6. Enforcement</u>	<u>-0-</u>	<u>140,000</u>
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27.16 (a) \$100,000 the second year is for responding
 27.17 to escaped animals from Cervidae farms,
 27.18 including inspection of farmed Cervidae,
 27.19 farmed Cervidae facilities, and farmed
 27.20 Cervidae records when the commissioner has
 27.21 reasonable suspicion that laws protecting
 27.22 native wild animals have been violated. This
 27.23 is a onetime appropriation.

27.24 (b) \$40,000 the second year is from the
 27.25 all-terrain vehicle account in the natural
 27.26 resources fund to develop a voluntary online
 27.27 youth all-terrain vehicle training program
 27.28 under Minnesota Statutes, section 84.925,
 27.29 subdivision 1. This is a onetime appropriation.

27.30 Sec. 4. **NATURAL RESOURCES DAMAGES**
 27.31 **ACCOUNT TRANSFER**

27.32 By June 30, 2018, any money in the general
 27.33 portion of the remediation fund dedicated for
 27.34 the purposes of the natural resources damages

28.1 account must be transferred to the natural
28.2 resources damages account.

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

28.4 Sec. 5. Laws 2010, chapter 361, article 4, section 78, is amended to read:

28.5 Sec. 78. **APPROPRIATION; MOOSE TRAIL.**

28.6 \$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources
28.7 from the all-terrain vehicle account in the natural resources fund for a grant to the city of
28.8 Hoyt Lakes ~~to convert the Moose Trail snowmobile trail to~~ for a dual usage trail, ~~so that it~~
28.9 ~~may also be used as an~~ off-highway vehicle trail connecting the city of Biwabik to the Iron
28.10 Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available
28.11 until ~~spent~~ June 30, 2020.

28.12 Sec. 6. Laws 2016, chapter 189, article 3, section 3, subdivision 5, is amended to read:

28.13 **Subd. 5. Parks and Trails Management** -0- 6,459,000

28.14 Appropriations by Fund

	2016	2017
28.15 General	-0-	2,929,000
28.16 Natural Resources	-0-	3,530,000

28.18 \$2,800,000 the second year is a onetime
28.19 appropriation.

28.20 \$2,300,000 the second year is from the state
28.21 parks account in the natural resources fund.

28.22 Of this amount, \$1,300,000 is onetime, of
28.23 which \$1,150,000 is for strategic park
28.24 acquisition.

28.25 \$20,000 the second year is from the natural
28.26 resources fund to design and erect signs
28.27 marking the David Dill trail designated in this
28.28 act. Of this amount, \$10,000 is from the
28.29 snowmobile trails and enforcement account
28.30 and \$10,000 is from the all-terrain vehicle
28.31 account. This is a onetime appropriation.

29.1 \$100,000 the second year is for the
29.2 improvement of the infrastructure for sanitary
29.3 sewer service at the Woodenfrog Campground
29.4 in Kabetogama State Forest. This is a onetime
29.5 appropriation.

29.6 \$29,000 the second year is for computer
29.7 programming related to the transfer-on-death
29.8 title changes for watercraft. This is a onetime
29.9 appropriation.

29.10 \$210,000 the first year is from the water
29.11 recreation account in the natural resources
29.12 fund for implementation of Minnesota
29.13 Statutes, section 86B.532, established in this
29.14 act. This is a onetime appropriation. The
29.15 commissioner of natural resources shall seek
29.16 federal and other nonstate funds to reimburse
29.17 the department for the initial costs of
29.18 producing and distributing carbon monoxide
29.19 boat warning labels. All amounts collected
29.20 under this paragraph shall be deposited into
29.21 the water recreation account.

29.22 \$1,000,000 the second year is from the natural
29.23 resources fund for a grant to Lake County for
29.24 construction, including bridges, of the
29.25 Prospectors ATV Trail System linking the
29.26 communities of Ely, Babbitt, Embarrass, and
29.27 Tower; Bear Head Lake and Lake
29.28 Vermilion-Soudan Underground Mine State
29.29 Parks; the Taconite State Trail; and the Lake
29.30 County Regional ATV Trail System. Of this
29.31 amount, \$900,000 is from the all-terrain
29.32 vehicle account, \$50,000 is from the
29.33 off-highway motorcycle account, and \$50,000
29.34 is from the off-road vehicle account. This is

30.1 a onetime appropriation and is available until
30.2 June 30, 2019.

30.3 Sec. 7. Laws 2016, chapter 189, article 3, section 4, is amended to read:

30.4 **Sec. 4. BOARD OF WATER AND SOIL**
30.5 **RESOURCES**

\$ -0- \$ 479,000

30.6 \$479,000 the second year is for the
30.7 development of a detailed plan to implement
30.8 a working lands watershed restoration program
30.9 to incentivize the establishment and
30.10 maintenance of perennial crops that includes
30.11 the following:

30.12 (1) a process for selecting pilot watersheds
30.13 that are expected to result in the greatest water
30.14 quality improvements and exhibit readiness
30.15 to participate in the program;

30.16 (2) an assessment of the quantity of
30.17 agricultural land that is expected to be eligible
30.18 for the program in each watershed;

30.19 (3) an assessment of landowner interest in
30.20 participating in the program;

30.21 (4) an assessment of the contract terms and
30.22 any recommendations for changes to the terms,
30.23 including consideration of variable payment
30.24 rates for lands of different priority or type;

30.25 (5) an assessment of the opportunity to
30.26 leverage federal funds through the program
30.27 and recommendations on how to maximize
30.28 the use of federal funds for assistance to
30.29 establish perennial crops;

30.30 (6) an assessment of how other state programs
30.31 could complement the program;

- 31.1 (7) an estimate of water quality improvements
31.2 expected to result from implementation in pilot
31.3 watersheds;
- 31.4 (8) an assessment of how to best integrate
31.5 program implementation with existing
31.6 conservation requirements and develop
31.7 recommendations on harvest practices and
31.8 timing to benefit wildlife production;
- 31.9 (9) an assessment of the potential viability and
31.10 water quality benefit of cover crops used in
31.11 biomass processing facilities;
- 31.12 (10) a timeline for implementation,
31.13 coordinated to the extent possible with
31.14 proposed biomass processing facilities; ~~and~~
- 31.15 (11) a projection of funding sources needed
31.16 to complete implementation;
- 31.17 (12) outreach to local governments, interest
31.18 groups, and individual farmers on the
31.19 economic and environmental benefits of
31.20 perennial and cover crops;
- 31.21 (13) establishment of detailed criteria to target
31.22 the location of perennial and cover crops on
31.23 a watershed basis to maximize the
31.24 environmental benefit at the lowest cost; and
- 31.25 (14) development of model contracts to
31.26 include payment rates, duration, type of crops,
31.27 harvest standards, and monitoring procedures
31.28 for use in future program implementation.
- 31.29 This is a onetime appropriation and is
31.30 available until June 30, ~~2018~~ 2019.
- 31.31 The board shall coordinate development of
31.32 the working lands watershed restoration plan
31.33 with stakeholders and the commissioners of

32.1 natural resources, agriculture, and the
 32.2 Pollution Control Agency. The board must
 32.3 submit an interim report by October 15, ~~2017~~
 32.4 2018, and the feasibility study and program
 32.5 plan by February 1, ~~2018~~ 2019, to the chairs
 32.6 and ranking minority members of the
 32.7 legislative committees and divisions with
 32.8 jurisdiction over agriculture, natural resources,
 32.9 and environment policy and finance and to the
 32.10 Clean Water Council.

32.11 Sec. 8. Laws 2017, chapter 93, article 1, section 3, subdivision 6, is amended to read:

32.12			<u>67,750,000</u>
32.13	Subd. 6. Fish and Wildlife Management	68,207,000	<u>69,210,000</u>

32.14	Appropriations by Fund		
32.15		2018	2019
32.16	Natural Resources	1,912,000	1,912,000
32.17			65,838,000
32.18	Game and Fish	66,295,000	<u>67,298,000</u>

32.19 (a) \$8,283,000 the first year and \$8,386,000
 32.20 the second year are from the heritage
 32.21 enhancement account in the game and fish
 32.22 fund only for activities specified in Minnesota
 32.23 Statutes, section 297A.94, paragraph (e),
 32.24 clause (1). Notwithstanding Minnesota
 32.25 Statutes, section 297A.94, five percent of this
 32.26 appropriation may be used for expanding
 32.27 hunter and angler recruitment and retention.

32.28 (b) Notwithstanding Minnesota Statutes,
 32.29 section 297A.94, \$30,000 the first year is from
 32.30 the heritage enhancement account in the game
 32.31 and fish fund for the commissioner of natural
 32.32 resources to contract with a private entity to
 32.33 search for a site to construct a world-class
 32.34 shooting range and club house for use by the
 32.35 Minnesota State High School League and for

33.1 other regional, statewide, national, and
33.2 international shooting events. The
33.3 commissioner must provide public notice of
33.4 the search, including making the public aware
33.5 of the process through the Department of
33.6 Natural Resources' media outlets, and solicit
33.7 input on the location and building options for
33.8 the facility. The siting search process must
33.9 include a public process to determine if any
33.10 business or individual is interested in donating
33.11 land for the facility, anticipated to be at least
33.12 500 acres. The site search team must meet
33.13 with interested third parties affected by or
33.14 interested in the facility. The commissioner
33.15 must submit a report with the results of the
33.16 site search to the chairs and ranking minority
33.17 members of the legislative committees and
33.18 divisions with jurisdiction over environment
33.19 and natural resources by March 1, 2018. This
33.20 is a onetime appropriation.

33.21 (c) Notwithstanding Minnesota Statutes,
33.22 section 297A.94, \$30,000 the first year is from
33.23 the heritage enhancement account in the game
33.24 and fish fund for a study of lead shot
33.25 deposition on state lands. By March 1, 2018,
33.26 the commissioner shall provide a report of the
33.27 study to the chairs and ranking minority
33.28 members of the legislative committees with
33.29 jurisdiction over natural resources policy and
33.30 finance. This is a onetime appropriation.

33.31 (d) Notwithstanding Minnesota Statutes,
33.32 section 297A.94, \$500,000 the first year is
33.33 from the heritage enhancement account in the
33.34 game and fish fund for planning and
33.35 emergency response to disease outbreaks in

34.1 wildlife. This is a onetime appropriation and
 34.2 is available until June 30, 2019.

34.3 (e) \$8,606,000 the second year is from the
 34.4 deer management account in the game and
 34.5 fish fund for the purposes specified under
 34.6 Minnesota Statutes, section 97A.075,
 34.7 subdivision 1, paragraph (b).

34.8 Sec. 9. Laws 2017, chapter 93, article 1, section 4, is amended to read:

34.9	Sec. 4. BOARD OF WATER AND SOIL			
34.10	RESOURCES	\$	14,311,000	\$ 14,164,000

34.11 (a) \$3,423,000 the first year and \$3,423,000
 34.12 the second year are for natural resources block
 34.13 grants to local governments. Grants must be
 34.14 matched with a combination of local cash or
 34.15 in-kind contributions. The base grant portion
 34.16 related to water planning must be matched by
 34.17 an amount as specified by Minnesota Statutes,
 34.18 section 103B.3369. The board may reduce the
 34.19 amount of the natural resources block grant
 34.20 to a county by an amount equal to any
 34.21 reduction in the county's general services
 34.22 allocation to a soil and water conservation
 34.23 district from the county's previous year
 34.24 allocation when the board determines that the
 34.25 reduction was disproportionate.

34.26 (b) \$3,116,000 the first year and \$3,116,000
 34.27 the second year are for grants to soil and water
 34.28 conservation districts for the purposes of
 34.29 Minnesota Statutes, sections 103C.321 and
 34.30 103C.331, and for general purposes, nonpoint
 34.31 engineering, and implementation and
 34.32 stewardship of the reinvest in Minnesota
 34.33 reserve program. Expenditures may be made
 34.34 from these appropriations for supplies and

35.1 services benefiting soil and water conservation
35.2 districts. Any district receiving a payment
35.3 under this paragraph shall maintain a Web
35.4 page that publishes, at a minimum, its annual
35.5 report, annual audit, annual budget, and
35.6 meeting notices.

35.7 (c) \$260,000 the first year and \$260,000 the
35.8 second year are for feedlot water quality cost
35.9 share grants for feedlots under 300 animal
35.10 units and nutrient and manure management
35.11 projects in watersheds where there are
35.12 impaired waters.

35.13 (d) \$1,200,000 the first year and \$1,200,000
35.14 the second year are for soil and water
35.15 conservation district cost-sharing contracts for
35.16 perennially vegetated riparian buffers, erosion
35.17 control, water retention and treatment, and
35.18 other high-priority conservation practices.

35.19 (e) \$100,000 the first year and \$100,000 the
35.20 second year are for county cooperative weed
35.21 management cost-share programs and to
35.22 restore native plants in selected invasive
35.23 species management sites.

35.24 (f) \$761,000 the first year and \$761,000 the
35.25 second year are for implementation,
35.26 enforcement, and oversight of the Wetland
35.27 Conservation Act, including administration of
35.28 the wetland banking program and in-lieu fee
35.29 mechanism.

35.30 (g) \$300,000 the first year is for improving
35.31 the efficiency and effectiveness of Minnesota's
35.32 wetland regulatory programs through
35.33 continued examination of United States Clean
35.34 Water Act section 404 assumption including

36.1 negotiation of draft agreements with the
36.2 United States Environmental Protection
36.3 Agency and the United States Army Corps of
36.4 Engineers, planning for an online permitting
36.5 system, upgrading the existing wetland
36.6 banking database, and developing an in-lieu
36.7 fee wetland banking program as authorized
36.8 by statute. This is a onetime appropriation and
36.9 is available until June 30, 2019.

36.10 (h) \$166,000 the first year and \$166,000 the
36.11 second year are to provide technical assistance
36.12 to local drainage management officials and
36.13 for the costs of the Drainage Work Group. The
36.14 Board of Water and Soil Resources must
36.15 coordinate the stakeholder drainage work
36.16 group in accordance with Minnesota Statutes,
36.17 section 103B.101, subdivision 13, to evaluate
36.18 and make recommendations to accelerate
36.19 drainage system acquisition and establishment
36.20 of ditch buffer strips under Minnesota Statutes,
36.21 chapter 103E, or compatible alternative
36.22 practices required by Minnesota Statutes,
36.23 section 103F.48. The evaluation and
36.24 recommendations must be submitted in a
36.25 report to the senate and house of
36.26 representatives committees with jurisdiction
36.27 over agriculture and environment policy by
36.28 February 1, 2018.

36.29 (i) \$100,000 the first year and \$100,000 the
36.30 second year are for a grant to the Red River
36.31 Basin Commission for water quality and
36.32 floodplain management, including
36.33 administration of programs. This appropriation
36.34 must be matched by nonstate funds. If the
36.35 appropriation in either year is insufficient, the

37.1 appropriation in the other year is available for
37.2 it.

37.3 (j) \$140,000 the first year and \$140,000 the
37.4 second year are for grants to Area II
37.5 Minnesota River Basin Projects for floodplain
37.6 management.

37.7 (k) \$125,000 the first year and \$125,000 the
37.8 second year are for conservation easement
37.9 stewardship.

37.10 (l) \$240,000 the first year and \$240,000 the
37.11 second year are for a grant to the Lower
37.12 Minnesota River Watershed District to defray
37.13 the annual cost of operating and maintaining
37.14 sites for dredge spoil to sustain the state,
37.15 national, and international commercial and
37.16 recreational navigation on the lower Minnesota
37.17 River.

37.18 (m) \$4,380,000 the first year and \$4,533,000
37.19 the second year are for Board of Water and
37.20 Soil Resources agency administration and
37.21 operations.

37.22 (n) Notwithstanding Minnesota Statutes,
37.23 section 103C.501, the board may shift
37.24 cost-share funds in this section and may adjust
37.25 the technical and administrative assistance
37.26 portion of the grant funds to leverage federal
37.27 or other nonstate funds or to address
37.28 high-priority needs identified in local water
37.29 management plans or comprehensive water
37.30 management plans.

37.31 (o) The appropriations for grants in this section
37.32 are available until June 30, 2021, except
37.33 returned grants are available for two years
37.34 after they are returned. If an appropriation for

38.1 grants in either year is insufficient, the
38.2 appropriation in the other year is available for
38.3 it.

38.4 (p) Notwithstanding Minnesota Statutes,
38.5 section 16B.97, the appropriations for grants
38.6 in this section are exempt from Department
38.7 of Administration, Office of Grants
38.8 Management Policy 08-08 Grant Payments
38.9 and 08-10 Grant Monitoring.

38.10 **ARTICLE 4**

38.11 **ENVIRONMENT AND NATURAL RESOURCES POLICY**

38.12 Section 1. Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6, is amended
38.13 to read:

38.14 Subd. 6. **Legal counsel.** The commissioner of natural resources may appoint attorneys
38.15 or outside counsel to render title opinions, represent the department in severed mineral
38.16 interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute
38.17 to the contrary, represent the state in quiet title or title registration actions affecting land or
38.18 interests in land administered by the commissioner and in all proceedings relating to road
38.19 vacations.

38.20 Sec. 2. Minnesota Statutes 2016, section 84.0895, subdivision 2, is amended to read:

38.21 Subd. 2. **Application.** (a) Subdivision 1 does not apply to:

38.22 (1) plants on land classified for property tax purposes as class 2a or 2c agricultural land
38.23 under section 273.13, ~~or on ditches and roadways~~ a ditch, or on an existing public road
38.24 right-of-way as defined in section 84.92, subdivision 6a, except for ground not previously
38.25 disturbed by construction or maintenance; and

38.26 (2) noxious weeds designated pursuant to sections 18.76 to 18.88 or to weeds otherwise
38.27 designated as troublesome by the Department of Agriculture.

38.28 (b) If control of noxious weeds is necessary, it takes priority over the protection of
38.29 endangered plant species, as long as a reasonable effort is taken to preserve the endangered
38.30 plant species first.

38.31 (c) The taking or killing of an endangered plant species on land adjacent to class 3 or
38.32 3b agricultural land as a result of the application of pesticides or other agricultural chemical

39.1 on the class 3 or 3b land is not a violation of subdivision 1, if reasonable care is taken in
39.2 the application of the pesticide or other chemical to avoid impact on adjacent lands. For the
39.3 purpose of this paragraph, class 3 or 3b agricultural land does not include timber land, waste
39.4 land, or other land for which the owner receives a state paid wetlands or native prairie tax
39.5 credit.

39.6 (d) The accidental taking of an endangered plant, where the existence of the plant is not
39.7 known at the time of the taking, is not a violation of subdivision 1.

39.8 Sec. 3. Minnesota Statutes 2016, section 84.775, subdivision 1, is amended to read:

39.9 Subdivision 1. **Civil citation; authority to issue.** (a) A conservation officer or other
39.10 licensed peace officer may issue a civil citation to a person who operates:

39.11 (1) an off-highway motorcycle in violation of sections 84.773, subdivision 1 or 2, clause
39.12 (1); 84.777; 84.788 to 84.795; or 84.90;

39.13 (2) an off-road vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1);
39.14 84.777; 84.798 to 84.804; or 84.90; or

39.15 (3) an all-terrain vehicle in violation of sections 84.773, subdivision 1 or 2, clause (1);
39.16 84.777; 84.90; or 84.922 to 84.928.

39.17 (b) A civil citation under paragraph (a) shall require restitution for public and private
39.18 property damage and impose a penalty of:

39.19 (1) \$100 for the first offense;

39.20 (2) \$200 for the second offense; and

39.21 (3) \$500 for third and subsequent offenses.

39.22 (c) A conservation officer or other licensed peace officer may issue a civil citation to a
39.23 person who operates an off-highway motorcycle, off-road vehicle, or all-terrain vehicle in
39.24 violation of section 84.773, subdivision 2, clause (2) or (3). A civil citation under this
39.25 paragraph shall require restitution for damage to wetlands and impose a penalty of:

39.26 (1) \$100 for the first offense;

39.27 (2) \$500 for the second offense; and

39.28 (3) \$1,000 for third and subsequent offenses.

39.29 (d) If the peace officer determines that there is damage to property requiring restitution,
39.30 the commissioner must send a written explanation of the extent of the damage and the cost

40.1 of the repair by first class mail to the address provided by the person receiving the citation
40.2 within 15 days of the date of the citation.

40.3 (e) An off-road vehicle ~~or all-terrain vehicle~~ that is equipped with a snorkel device and
40.4 receives a civil citation under this section is subject to twice the penalty amounts in
40.5 paragraphs (b) and (c).

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

40.7 Sec. 4. Minnesota Statutes 2016, section 84.83, subdivision 3, is amended to read:

40.8 Subd. 3. **Purposes for the account; allocation.** (a) The money deposited in the account
40.9 and interest earned on that money may be expended only as appropriated by law for the
40.10 following purposes:

40.11 (1) for a grant-in-aid program to counties and municipalities for construction and
40.12 maintenance of snowmobile trails, including maintenance of trails on lands and waters of
40.13 Voyageurs National Park; on Lake of the Woods; on Rainy Lake; on the following lakes in
40.14 St. Louis County: Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion;
40.15 and on the following lakes in Cook County: Devil Track and Hungry Jack;

40.16 (2) for acquisition, development, and maintenance of state recreational snowmobile
40.17 trails;

40.18 (3) for snowmobile safety programs; and

40.19 (4) for the administration and enforcement of sections 84.81 to 84.91 and appropriated
40.20 grants to local law enforcement agencies.

40.21 (b) No less than 60 percent of revenue ~~collected from snowmobile registration and~~
40.22 ~~snowmobile state trail sticker fees~~ deposited in the snowmobile trails and enforcement
40.23 account must be expended for grants-in-aid to develop, maintain, and groom trails and
40.24 acquire easements.

40.25 **EFFECTIVE DATE.** This section is effective July 1, 2018.

40.26 Sec. 5. Minnesota Statutes 2016, section 84.86, subdivision 1, is amended to read:

40.27 Subdivision 1. **Required rules.** With a view of achieving maximum use of snowmobiles
40.28 consistent with protection of the environment the commissioner of natural resources shall
40.29 adopt rules in the manner provided by chapter 14, for the following purposes:

40.30 (1) Registration of snowmobiles and display of registration numbers.

- 41.1 (2) Use of snowmobiles insofar as game and fish resources are affected.
- 41.2 (3) Use of snowmobiles on public lands and waters, or on grant-in-aid trails.
- 41.3 (4) Uniform signs to be used by the state, counties, and cities, which are necessary or
41.4 desirable to control, direct, or regulate the operation and use of snowmobiles.
- 41.5 (5) Specifications relating to snowmobile mufflers.
- 41.6 (6) A comprehensive snowmobile information and safety education and training program,
41.7 including but not limited to the preparation and dissemination of snowmobile information
41.8 and safety advice to the public, the training of snowmobile operators, and the issuance of
41.9 snowmobile safety certificates to snowmobile operators who successfully complete the
41.10 snowmobile safety education and training course. For the purpose of administering such
41.11 program and to defray expenses of training and certifying snowmobile operators, the
41.12 commissioner shall collect a fee from each person who receives the youth or adult training.
41.13 The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for
41.14 issuing a duplicate snowmobile safety certificate. The commissioner shall establish both
41.15 fees in a manner that neither significantly overrecovers nor underrecovers costs, including
41.16 overhead costs, involved in providing the services. The fees are not subject to the rulemaking
41.17 provisions of chapter 14 and section 14.386 does not apply. The fees may be established
41.18 by the commissioner notwithstanding section 16A.1283. The fees, except for the issuing
41.19 fee for licensing agents under this subdivision, shall be deposited in the snowmobile trails
41.20 and enforcement account in the natural resources fund and the amount thereof, except for
41.21 the electronic licensing system commission established by the commissioner under section
41.22 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated
41.23 annually to the Enforcement Division of the Department of Natural Resources for the
41.24 administration of such programs. In addition to the fee established by the commissioner,
41.25 instructors may charge each person any fee paid by the instructor for the person's online
41.26 training course and up to the established fee amount for class materials and expenses. The
41.27 commissioner shall cooperate with private organizations and associations, private and public
41.28 corporations, and local governmental units in furtherance of the program established under
41.29 this clause. School districts may cooperate with the commissioner and volunteer instructors
41.30 to provide space for the classroom portion of the training. The commissioner shall consult
41.31 with the commissioner of public safety in regard to training program subject matter and
41.32 performance testing that leads to the certification of snowmobile operators.
- 41.33 (7) The operator of any snowmobile involved in an accident resulting in injury requiring
41.34 medical attention or hospitalization to or death of any person or total damage to an extent

42.1 of \$500 or more, shall forward a written report of the accident to the commissioner on such
42.2 form as the commissioner shall prescribe. If the operator is killed or is unable to file a report
42.3 due to incapacitation, any peace officer investigating the accident shall file the accident
42.4 report within ten business days.

42.5 Sec. 6. Minnesota Statutes 2017 Supplement, section 84.91, subdivision 1, is amended to
42.6 read:

42.7 Subdivision 1. **Acts prohibited.** (a) No owner or other person having charge or control
42.8 of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person
42.9 knows or has reason to believe is under the influence of alcohol or a controlled substance
42.10 or other substance to operate the snowmobile or all-terrain vehicle anywhere in this state
42.11 or on the ice of any boundary water of this state.

42.12 (b) No owner or other person having charge or control of any snowmobile or all-terrain
42.13 vehicle shall knowingly authorize or permit any person, who by reason of any physical or
42.14 mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain
42.15 vehicle anywhere in this state or on the ice of any boundary water of this state.

42.16 (c) A person who operates or is in physical control of a snowmobile or all-terrain vehicle
42.17 anywhere in this state or on the ice of any boundary water of this state is subject to chapter
42.18 169A. In addition to the applicable sanctions under chapter 169A, a person who is convicted
42.19 of violating section 169A.20 or an ordinance in conformity with it ~~while operating a~~
42.20 ~~snowmobile or all-terrain vehicle~~, or who refuses to comply with a lawful request to submit
42.21 to testing under sections 169A.50 to 169A.53 or 171.177, or an ordinance in conformity
42.22 with it, shall be prohibited from operating a snowmobile or all-terrain vehicle for a period
42.23 of one year. The commissioner shall notify the person of the time period during which the
42.24 person is prohibited from operating a snowmobile or all-terrain vehicle.

42.25 (d) Administrative and judicial review of the operating privileges prohibition is governed
42.26 by section 97B.066, subdivisions 7 to 9, if the person does not have a prior impaired driving
42.27 conviction or prior license revocation, as defined in section 169A.03. Otherwise,
42.28 administrative and judicial review of the prohibition is governed by section 169A.53 or
42.29 171.177.

42.30 (e) The court shall promptly forward to the commissioner and the Department of Public
42.31 Safety copies of all convictions and criminal and civil sanctions imposed under:

42.32 (1) this section and chapters;

42.33 (2) chapter 169 and relating to snowmobiles and all-terrain vehicles;

43.1 ~~(3) chapter 169A relating to snowmobiles and all-terrain vehicles; and~~

43.2 ~~(4) section 171.177.~~

43.3 (f) A person who violates paragraph (a) or (b), or an ordinance in conformity with either
43.4 of them, is guilty of a misdemeanor. A person who operates a snowmobile or all-terrain
43.5 vehicle during the time period the person is prohibited from operating a vehicle under
43.6 paragraph (c) is guilty of a misdemeanor.

43.7 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to violations
43.8 committed on or after that date.

43.9 Sec. 7. Minnesota Statutes 2017 Supplement, section 84.925, subdivision 1, is amended
43.10 to read:

43.11 Subdivision 1. **Program Training and certification programs established.** (a) The
43.12 commissioner shall establish:

43.13 (1) a comprehensive all-terrain vehicle environmental and safety education and training
43.14 certification program, including the preparation and dissemination of vehicle information
43.15 and safety advice to the public, the training of all-terrain vehicle operators, and the issuance
43.16 of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who
43.17 successfully complete the all-terrain vehicle environmental and safety education and training
43.18 course; and

43.19 (2) a voluntary all-terrain vehicle online training program for youth and a parent or
43.20 guardian, offered at no charge for operators at least six years of age but younger than ten
43.21 years of age.

43.22 (b) A parent or guardian must be present at the hands-on a training portion of the program
43.23 for when the youth who are six through ten is under ten years of age.

43.24 ~~(b)~~ (c) For the purpose of administering the program and to defray the expenses of
43.25 training and certifying vehicle operators, the commissioner shall collect a fee from each
43.26 person who receives the training for certification under paragraph (a), clause (1). The
43.27 commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing
43.28 a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees
43.29 in a manner that neither significantly overrecovers nor underrecovers costs, including
43.30 overhead costs, involved in providing the services. The fees are not subject to the rulemaking
43.31 provisions of chapter 14 and section 14.386 does not apply. The fees may be established
43.32 by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing
43.33 fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle

44.1 account in the natural resources fund and the amount thereof, except for the electronic
44.2 licensing system commission established by the commissioner under section 84.027,
44.3 subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to
44.4 the Enforcement Division of the Department of Natural Resources for the administration
44.5 of the programs. In addition to the fee established by the commissioner, instructors may
44.6 charge each person up to the established fee amount for class materials and expenses.

44.7 ~~(e)~~ (d) The commissioner shall cooperate with private organizations and associations,
44.8 private and public corporations, and local governmental units in furtherance of the ~~program~~
44.9 programs established under this section. School districts may cooperate with the
44.10 commissioner and volunteer instructors to provide space for the classroom portion of the
44.11 training. The commissioner shall consult with the commissioner of public safety in regard
44.12 to ~~training program~~ the subject matter of the training programs and performance testing that
44.13 leads to the certification of vehicle operators. The commissioner shall incorporate a riding
44.14 component in the ~~safety education and training program~~ programs established under this
44.15 section.

44.16 Sec. 8. Minnesota Statutes 2017 Supplement, section 84.9256, subdivision 1, is amended
44.17 to read:

44.18 Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public
44.19 road rights-of-way that is permitted under section 84.928 and as provided under paragraph
44.20 (j), a driver's license issued by the state or another state is required to operate an all-terrain
44.21 vehicle along or on a public road right-of-way.

44.22 (b) A person under 12 years of age shall not:

44.23 (1) make a direct crossing of a public road right-of-way;

44.24 (2) operate an all-terrain vehicle on a public road right-of-way in the state; or

44.25 (3) operate an all-terrain vehicle on public lands or waters, except as provided in
44.26 paragraph (f).

44.27 (c) Except for public road rights-of-way of interstate highways, a person 12 years of age
44.28 but less than 16 years may make a direct crossing of a public road right-of-way of a trunk,
44.29 county state-aid, or county highway or operate on public lands and waters or state or
44.30 grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate
44.31 issued by the commissioner and is accompanied by a person 18 years of age or older who
44.32 holds a valid driver's license.

45.1 (d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old,
45.2 but less than 16 years old, must:

45.3 (1) successfully complete the safety education and training program under section 84.925,
45.4 subdivision 1, including a riding component; and

45.5 (2) be able to properly reach and control the handle bars and reach the foot pegs while
45.6 sitting upright on the seat of the all-terrain vehicle.

45.7 (e) A person at least ~~six~~ ten years of age may take the safety education and training
45.8 program and may receive an all-terrain vehicle safety certificate under paragraph (d), but
45.9 the certificate is not valid until the person reaches age 12.

45.10 (f) A person at least ten years of age but under 12 years of age may operate an all-terrain
45.11 vehicle with an engine capacity up to 110cc if the vehicle is a class 1 all-terrain vehicle with
45.12 straddle-style seating or up to 170cc if the vehicle is a class 1 all-terrain vehicle with
45.13 side-by-side-style seating on public lands or waters if accompanied by a parent or legal
45.14 guardian.

45.15 (g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

45.16 (h) A person under the age of 16 may not operate an all-terrain vehicle on public lands
45.17 or waters or on state or grant-in-aid trails if the person cannot properly reach and control:

45.18 (1) the handle bars and reach the foot pegs while sitting upright on the seat of the
45.19 all-terrain vehicle with straddle-style seating; or

45.20 (2) the steering wheel and foot controls of a class 1 all-terrain vehicle with
45.21 side-by-side-style seating while sitting upright in the seat with the seat belt fully engaged.

45.22 (i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16
45.23 years old, may make a direct crossing of a public road right-of-way of a trunk, county
45.24 state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or
45.25 state or grant-in-aid trails if:

45.26 (1) the nonresident youth has in possession evidence of completing an all-terrain safety
45.27 course offered by the ATV Safety Institute or another state as provided in section 84.925,
45.28 subdivision 3; and

45.29 (2) the nonresident youth is accompanied by a person 18 years of age or older who holds
45.30 a valid driver's license.

46.1 (j) A person 12 years of age but less than 16 years of age may operate an all-terrain
46.2 vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted
46.3 under section 84.928 if the person:

46.4 (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner;
46.5 and

46.6 (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

46.7 **Sec. 9. [84.9258] ALL-TERRAIN VEHICLE PILOT PROJECT; HAYES LAKE**
46.8 **STATE PARK.**

46.9 (a) A person may operate an all-terrain vehicle in campground areas at Hayes Lake State
46.10 Park designated by the commissioner of natural resources under this section. The all-terrain
46.11 vehicle must have a valid state park permit. The commissioner must issue an annual permit
46.12 for an all-terrain vehicle at the same fee and in the same manner as an annual motorcycle
46.13 state park permit, unless the all-terrain vehicle is being permitted annually as a second or
46.14 subsequent vehicle. The person operating the all-terrain vehicle must display the state park
46.15 permit on the all-terrain vehicle or carry the state park permit while operating the vehicle.

46.16 (b) By August 1, 2018, the commissioner of natural resources, in cooperation with
46.17 Roseau County and the Friends of Hayes Lake State Park, must designate campground areas
46.18 at Hayes Lake State Park and access routes to those campgrounds from nearby all-terrain
46.19 vehicle trails as accessible to all-terrain vehicles. The campground areas and access routes
46.20 designated must have been previously open to motorized vehicle use.

46.21 (c) Designations made under this section are not subject to the rulemaking provisions
46.22 of chapter 14, and section 14.386 does not apply.

46.23 (d) This section expires January 1, 2021.

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

46.25 Sec. 10. Minnesota Statutes 2016, section 84.928, subdivision 2, is amended to read:

46.26 Subd. 2. **Operation generally.** A person may not drive or operate an all-terrain vehicle:

46.27 (1) at a rate of speed greater than reasonable or proper under the surrounding
46.28 circumstances;

46.29 (2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or
46.30 damage to the person or property of another;

- 47.1 (3) without headlight and taillight lighted at all times if the vehicle is equipped with
47.2 headlight and taillight;
- 47.3 (4) without a functioning stoplight if so equipped;
- 47.4 (5) in a tree nursery or planting in a manner that damages or destroys growing stock;
- 47.5 (6) without a brake operational by either hand or foot;
- 47.6 (7) with more than one person on the vehicle, except as allowed under section 84.9257;
- 47.7 (8) at a speed exceeding ten miles per hour on the frozen surface of public waters within
47.8 100 feet of a person not on an all-terrain vehicle or within 100 feet of a fishing shelter; or
- 47.9 ~~(9) with a snorkel device that has a raised air intake six inches or more above the vehicle~~
47.10 ~~manufacturer's original air intake, except within the Iron Range Off-Highway Vehicle~~
47.11 ~~Recreation Area as described in section 85.013, subdivision 12a, or other public off-highway~~
47.12 ~~vehicle recreation areas; or~~
- 47.13 ~~(4)~~ (9) in a manner that violates operation rules adopted by the commissioner.

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

47.15 Sec. 11. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 3, is amended
47.16 to read:

47.17 Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested
47.18 waters for bait or aquatic farm purposes is prohibited except as provided in paragraph (b),
47.19 (c), or (d) and section 97C.341.

47.20 (b) In waters that are listed as infested waters, except those listed as infested with
47.21 prohibited invasive species of fish or certifiable diseases of fish, as defined under section
47.22 17.4982, subdivision 6, taking wild animals may be permitted for:

47.23 (1) commercial taking of wild animals for bait and aquatic farm purposes as provided
47.24 in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

47.25 (2) bait purposes for noncommercial personal use in waters that contain Eurasian
47.26 watermilfoil, when the infested waters are listed solely because they contain Eurasian
47.27 watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not
47.28 exceeding 16 inches in diameter and 32 inches in length.

47.29 (c) In streams or rivers that are listed as infested waters, except those listed as infested
47.30 with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest

48.1 of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by
48.2 hook and line for noncommercial personal use is allowed as follows:

48.3 (1) fish taken under this paragraph must be used on the same body of water where caught
48.4 and while still on that water body. Where the river or stream is divided by barriers such as
48.5 dams, the fish must be caught and used on the same section of the river or stream;

48.6 (2) fish taken under this paragraph may not be transported live from or off the water
48.7 body;

48.8 (3) fish harvested under this paragraph may only be used in accordance with this section;

48.9 (4) any other use of wild animals used for bait from infested waters is prohibited;

48.10 (5) fish taken under this paragraph must meet all other size restrictions and requirements
48.11 as established in rules; and

48.12 (6) all species listed under this paragraph shall be included in the person's daily limit as
48.13 established in rules, if applicable.

48.14 (d) In the Minnesota River downstream of Granite Falls, the Mississippi River
48.15 downstream of St. Anthony Falls₂ and the St. Croix River downstream of the dam at Taylors
48.16 Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota
48.17 Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for
48.18 noncommercial personal use as bait for angling, as provided in a permit issued under section
48.19 84D.11, is allowed as follows:

48.20 (1) nontarget species must immediately be returned to the water;

48.21 (2) gizzard shad taken under this paragraph must be used on the same body of water
48.22 where caught and while still on that water body. Where the river is divided by barriers such
48.23 as dams, the gizzard shad must be caught and used on the same section of the river;

48.24 (3) gizzard shad taken under this paragraph may not be transported off the water body;
48.25 and

48.26 (4) gizzard shad harvested under this paragraph may only be used in accordance with
48.27 this section.

48.28 ~~This paragraph expires December 1, 2017.~~

48.29 (e) Equipment authorized for minnow harvest in a listed infested water by permit issued
48.30 under paragraph (b) may not be transported to, or used in, any waters other than waters
48.31 specified in the permit.

49.1 (f) Bait intended for sale may not be held in infested water after taking and before sale,
49.2 unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

49.3 **EFFECTIVE DATE.** This section is effective retroactively from December 1, 2017.

49.4 Sec. 12. Minnesota Statutes 2017 Supplement, section 84D.03, subdivision 4, is amended
49.5 to read:

49.6 Subd. 4. **Restrictions in infested and noninfested waters; commercial fishing and**
49.7 **turtle, frog, and crayfish harvesting.** (a) All nets, traps, buoys, anchors, stakes, and lines
49.8 used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that
49.9 is listed because it contains invasive fish, invertebrates, aquatic plants or aquatic macrophytes
49.10 other than Eurasian watermilfoil, or certifiable diseases, as defined in section 17.4982, must
49.11 be tagged with tags provided by the commissioner, as specified in the commercial licensee's
49.12 license or permit. Tagged gear must not be used in water bodies other than those specified
49.13 in the license or permit. The license or permit may authorize department staff to remove
49.14 tags after the from gear is that has been decontaminated according to a protocol specified
49.15 by the commissioner if use of the decontaminated gear in other water bodies would not pose
49.16 an unreasonable risk of harm to natural resources or the use of natural resources in the state.
49.17 This tagging requirement does not apply to commercial fishing equipment used in Lake
49.18 Superior.

49.19 (b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle,
49.20 frog, or crayfish harvesting in an infested water that is listed solely because it contains
49.21 Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum
49.22 of two days before they are used in any other waters, except as provided in this paragraph.
49.23 Commercial licensees must notify the department's regional or area fisheries office or a
49.24 conservation officer before removing nets or equipment from an infested water listed solely
49.25 because it contains Eurasian watermilfoil and before resetting those nets or equipment in
49.26 any other waters. Upon notification, the commissioner may authorize a commercial licensee
49.27 to move nets or equipment to another water without freezing or drying, if that water is listed
49.28 as infested solely because it contains Eurasian watermilfoil.

49.29 (c) A commercial licensee must remove all aquatic macrophytes from nets and other
49.30 equipment before placing the equipment into waters of the state.

49.31 (d) The commissioner shall provide a commercial licensee with a current listing of listed
49.32 infested waters at the time that a license or permit is issued.

50.1 Sec. 13. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2b, is amended
50.2 to read:

50.3 Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional
50.4 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~
50.5 ~~Gull Narrows State Water Access Site, Government Point State Water Access Site, and~~
50.6 ~~Gull East State~~ water access Site sites on Gull Lake (DNR Division of Waters number
50.7 11-0305) in Cass and Crow Wing Counties using the same authorities, general procedures,
50.8 and requirements provided for the Lake Minnetonka pilot project in subdivision 2a. Lake
50.9 service providers participating in the Gull Lake targeted pilot study place of business must
50.10 be located in Cass or Crow Wing County.

50.11 (b) If an additional targeted pilot project for Gull Lake is implemented under this section,
50.12 the report to the chairs and ranking minority members of the senate and house of
50.13 representatives committees having jurisdiction over natural resources required under Laws
50.14 2016, chapter 189, article 3, section 48, must also include the Gull Lake targeted pilot study
50.15 recommendations and assessments.

50.16 (c) This subdivision expires December 1, 2019.

50.17 Sec. 14. Minnesota Statutes 2017 Supplement, section 84D.108, subdivision 2c, is amended
50.18 to read:

50.19 Subd. 2c. **Cross Lake pilot study.** (a) The commissioner may include an additional
50.20 targeted pilot study to include water-related equipment with zebra mussels attached for ~~the~~
50.21 ~~Cross Lake #1 State~~ water access Site sites on Cross Lake (DNR Division of Waters number
50.22 18-0312) in Crow Wing County using the same authorities, general procedures, and
50.23 requirements provided for the Lake Minnetonka pilot project in subdivision 2a. The place
50.24 of business of lake service providers participating in the Cross Lake targeted pilot study
50.25 must be located in Cass or Crow Wing County.

50.26 (b) If an additional targeted pilot project for Cross Lake is implemented under this
50.27 section, the report to the chairs and ranking minority members of the senate and house of
50.28 representatives committees having jurisdiction over natural resources required under Laws
50.29 2016, chapter 189, article 3, section 48, must also include the Cross Lake targeted pilot
50.30 study recommendations and assessments.

50.31 (c) This subdivision expires December 1, 2019.

51.1 Sec. 15. Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1, is amended
51.2 to read:

51.3 Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area
51.4 Citizens Advisory Council is established. Membership on the advisory council shall include:

51.5 (1) a representative of ~~the Cuyuna Range Mineland Recreation Area Joint Powers Board~~
51.6 Cuyuna Range Economic Development Inc.;

51.7 (2) a representative ~~of~~ for the Croft Mine Historical Park ~~Joint Powers Board~~;

51.8 (3) a ~~designee of the Cuyuna Range Mineland Reclamation Committee who has worked~~
51.9 ~~as a miner in the local area~~ member at large appointed by the members of the council;

51.10 (4) a representative of the Crow Wing County Board;

51.11 (5) ~~an elected state official~~ the state senator representing the state recreation area;

51.12 (6) the member from the state house of representatives representing the state recreation
51.13 area;

51.14 (7) a representative of the Grand Rapids regional office of the Department of Natural
51.15 Resources;

51.16 ~~(7)~~ (8) a designee of the commissioner of Iron Range resources and rehabilitation;

51.17 ~~(8)~~ (9) a designee of the local business community selected by the area chambers of
51.18 commerce;

51.19 ~~(9)~~ (10) a designee of the local environmental community selected by the Crow Wing
51.20 County District 5 commissioner;

51.21 ~~(10)~~ (11) a designee of a local education organization selected by the Crosby-Ironton
51.22 School Board;

51.23 ~~(11)~~ (12) a designee of one of the recreation area user groups selected by the Cuyuna
51.24 Range Chamber of Commerce; and

51.25 ~~(12)~~ (13) a member of the Cuyuna Country Heritage Preservation Society.

51.26 Sec. 16. Minnesota Statutes 2016, section 86B.005, subdivision 8a, is amended to read:

51.27 Subd. 8a. **Marine carbon monoxide detection system.** "Marine carbon monoxide
51.28 detection system" means a device or system ~~that meets the requirements of the American~~
51.29 ~~Boat and Yacht Council Standard A-24, July, 2015, for carbon monoxide detection systems.~~

52.1 for detecting carbon monoxide that is certified by a nationally recognized testing laboratory
52.2 to conform to current UL Standards for use on recreational boats.

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

52.4 Sec. 17. Minnesota Statutes 2016, section 86B.532, subdivision 1, is amended to read:

52.5 Subdivision 1. **Requirements; installation.** (a) No motorboat that has an enclosed
52.6 accommodation compartment may be operated on any waters of the state unless the motorboat
52.7 is equipped with a functioning marine carbon monoxide detection system installed according
52.8 to the manufacturer's instructions and this subdivision.

52.9 (b) ~~After May 1, 2017,~~ No new motorboat that has an enclosed accommodation
52.10 compartment may be sold or offered for sale in Minnesota unless the motorboat is equipped
52.11 with a new functioning marine carbon monoxide detection system installed according to
52.12 the manufacturer's instructions and this subdivision.

52.13 (c) A marine carbon monoxide detection system must be located:

52.14 (1) to monitor the atmosphere of the enclosed accommodation compartment; and

52.15 (2) within ten feet or 3.048 meters of any designated sleeping accommodations.

52.16 (d) A marine carbon monoxide detection system, including a sensor, must not be located
52.17 within five feet or 1.52 meters of any cooking appliance.

52.18 **EFFECTIVE DATE.** This section is effective May 1, 2018.

52.19 Sec. 18. Minnesota Statutes 2016, section 88.10, is amended by adding a subdivision to
52.20 read:

52.21 Subd. 3. **Wildland firefighters; training and licensing.** Forest officers and all
52.22 individuals employed as wildland firefighters under this chapter are not subject to the
52.23 requirements of chapter 299N.

52.24 Sec. 19. Minnesota Statutes 2016, section 88.75, subdivision 1, is amended to read:

52.25 Subdivision 1. **Misdemeanor offenses; damages; injunctive relief.** (a) Any person
52.26 who violates any of the provisions of sections 88.03 to 88.22 for which no specific penalty
52.27 is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

52.28 (b) Failure by any person to comply with any provision or requirement of sections 88.03
52.29 to 88.22 to which such person is subject shall be deemed a violation thereof.

53.1 (c) Any person who violates ~~any provisions of~~ sections 88.03 to 88.22, in addition to
 53.2 any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation,
 53.3 shall also be liable in full damages to any and every person suffering loss or injury by reason
 53.4 of such violation, including liability to the state, and any of its political subdivisions, for
 53.5 all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire
 53.6 caused by, or resulting from, any violation of these sections. Notwithstanding any statute
 53.7 to the contrary, an attorney who is licensed to practice law in Minnesota and is an employee
 53.8 of the Department of Natural Resources may represent the commissioner in proceedings
 53.9 under this subdivision that are removed to district court from conciliation court. All expenses
 53.10 so collected by the state shall be deposited in the general fund. When a fire set by any person
 53.11 spreads to and damages or destroys property belonging to another, the setting of the fire
 53.12 shall be prima facie evidence of negligence in setting and allowing the same to spread.

53.13 (d) At any time the state, or any political subdivision thereof, either of its own motion,
 53.14 or at the suggestion or request of the director, may bring an action in any court of competent
 53.15 jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to 88.22,
 53.16 whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any
 53.17 person from proceeding further in, with, or at any timber cutting or other operations without
 53.18 complying with the provisions of those sections, or the requirements of the director pursuant
 53.19 thereto; and the court may grant such relief, or any other appropriate relief, whenever it
 53.20 shall appear that the same may prevent loss of life or property by fire, or may otherwise aid
 53.21 in accomplishing the purposes of sections 88.03 to 88.22.

53.22 Sec. 20. Minnesota Statutes 2016, section 89.551, is amended to read:

53.23 **89.551 APPROVED FIREWOOD REQUIRED.**

53.24 (a) After the commissioner issues an order under paragraph (b), a person may not possess
 53.25 firewood on land administered by the commissioner of natural resources unless the firewood:

53.26 (1) was obtained from a firewood distribution facility located on land administered by
 53.27 the commissioner;

53.28 (2) was obtained from a firewood dealer who is selling firewood that is approved by the
 53.29 commissioner under paragraph (b); or

53.30 (3) has been approved by the commissioner of natural resources under paragraph (b).

53.31 (b) The commissioner of natural resources shall, by written order published in the State
 53.32 Register, approve firewood for possession on lands administered by the commissioner. The

54.1 order is not subject to the rulemaking provisions of chapter 14, and section 14.386 does not
54.2 apply.

54.3 (c) A violation under this section is subject to confiscation of firewood ~~and after May~~
54.4 ~~1, 2008, confiscation and a \$100 penalty. A firewood dealer shall be subject to confiscation~~
54.5 ~~and assessed a \$100 penalty for each sale of firewood not approved under the provisions~~
54.6 ~~of this section and sold for use on land administered by the commissioner.~~

54.7 (d) For the purposes of this section, "firewood" means any wood that is intended for use
54.8 in a campfire, as defined in section 88.01, subdivision 25.

54.9 Sec. 21. Minnesota Statutes 2016, section 97A.051, subdivision 2, is amended to read:

54.10 Subd. 2. **Summary of fish and game laws.** (a) The commissioner shall prepare a
54.11 summary of the hunting and fishing laws and rules and deliver a sufficient supply to license
54.12 vendors ~~to furnish one copy to each person obtaining a hunting, fishing, or trapping license.~~

54.13 (b) At the beginning of the summary, under the heading "Trespass," the commissioner
54.14 shall summarize the trespass provisions under sections 97B.001 to 97B.945, state that
54.15 conservation officers and peace officers must enforce the trespass laws, and state the penalties
54.16 for trespassing.

54.17 (c) In the summary the commissioner shall, under the heading "Duty to Render Aid,"
54.18 summarize the requirements under section 609.662 and state the penalties for failure to
54.19 render aid to a person injured by gunshot.

54.20 Sec. 22. Minnesota Statutes 2017 Supplement, section 97A.075, subdivision 1, is amended
54.21 to read:

54.22 Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision,
54.23 "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5),
54.24 (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and
54.25 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

54.26 (b) \$16 from each annual deer license issued under section 97A.475, subdivisions 2,
54.27 clauses (5), (6), and (7); 3, paragraph (a), clauses (2), (3), and (4); and 8, paragraph (b); \$2
54.28 from each annual deer license and \$2 issued under sections 97A.475, subdivisions 2, clauses
54.29 (13), (14), and (15); and 3, paragraph (a), clauses (10), (11), and (12); and 97B.301,
54.30 subdivision 4; \$16 annually from the lifetime fish and wildlife trust fund, established in
54.31 section 97A.4742, for each license issued to a person 18 years of age or older under section
54.32 97A.473, subdivision 4; and \$2 annually from the lifetime fish and wildlife trust fund for

55.1 each license issued to a person under 18 years of age under section 97A.473, subdivision
55.2 4, shall be credited to the deer management account and is appropriated to the commissioner
55.3 for deer habitat improvement or deer management programs. The deer management account
55.4 is established as an account in the game and fish fund and may be used only for deer habitat
55.5 improvement or deer management programs.

55.6 (c) \$1 from each annual deer license and each bear license and \$1 annually from the
55.7 lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued
55.8 under section 97A.473, subdivision 4, shall be credited to the deer and bear management
55.9 account and is appropriated to the commissioner for deer- and bear-management programs,
55.10 including a computerized licensing system.

55.11 (d) Fifty cents from each deer license is credited to the emergency deer feeding and wild
55.12 Cervidae health-management account and is appropriated for emergency deer feeding and
55.13 wild Cervidae health management. Money appropriated for emergency deer feeding and
55.14 wild Cervidae health management is available until expended.

55.15 When the unencumbered balance in the appropriation for emergency deer feeding and
55.16 wild Cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the
55.17 unencumbered balance in excess of \$2,500,000 is canceled and available for deer- and
55.18 bear-management programs and computerized licensing.

55.19 Sec. 23. **[97A.409] VOTER REGISTRATION INFORMATION.**

55.20 (a) On the Department of Natural Resources online license sales Web site for purchasing
55.21 a resident license to hunt or fish that is required under the game and fish laws, the
55.22 commissioner must include the voter registration eligibility requirements and a description
55.23 of how to register to vote before or on election day. On the Web page where an individual
55.24 has the option to print a license to hunt or fish, the commissioner must include a direct link
55.25 to the secretary of state's online voter registration Web page.

55.26 (b) In the printed and digital versions of fishing regulations and hunting and trapping
55.27 regulations, the commissioner must include the voter registration eligibility requirements,
55.28 a description of how to register to vote before or on election day, and a link to the secretary
55.29 of state's online voter registration Web page. In addition, the commissioner must include a
55.30 voter registration application in the printed and digital versions of fishing regulations and
55.31 hunting and trapping regulations.

56.1 (c) The secretary of state must provide the required voter registration information to the
56.2 commissioner. The secretary of state must prepare and approve an alternate form of the
56.3 voter registration application to be used in the regulations.

56.4 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2018, and applies to licenses
56.5 issued on or after March 1, 2019. Paragraph (b) is effective August 1, 2018, and applies to
56.6 printed and digital versions of regulations updated on or after that date.

56.7 Sec. 24. Minnesota Statutes 2016, section 97A.433, subdivision 4, is amended to read:

56.8 Subd. 4. **Discretionary separate selection; eligibility.** (a) The commissioner may
56.9 conduct a separate selection for up to 20 percent of the elk licenses to be issued for an area.
56.10 Only owners of, and tenants living on, at least 160 acres of agricultural or grazing land in
56.11 the area, and their family members, are eligible for the separate selection. Persons that are
56.12 unsuccessful in a separate selection must be included in the selection for the remaining
56.13 licenses. Persons who obtain an elk license in a separate selection ~~must allow public elk~~
56.14 ~~hunting on their land during the elk season for which the license is valid~~ may sell the license
56.15 to any Minnesota resident eligible to hunt big game for no more than the original cost of
56.16 the license.

56.17 (b) The commissioner may by rule establish criteria for determining eligible family
56.18 members under this subdivision.

56.19 Sec. 25. Minnesota Statutes 2016, section 97A.433, subdivision 5, is amended to read:

56.20 Subd. 5. **Mandatory separate selection.** The commissioner must conduct a separate
56.21 selection for 20 percent of the elk licenses to be issued each year. Only individuals who
56.22 have applied at least ten times for an elk license and who have never received a license are
56.23 eligible for this separate selection. A person who is unsuccessful in a separate selection
56.24 under this subdivision must be included in the selection for the remaining licenses.

56.25 Sec. 26. Minnesota Statutes 2016, section 97A.56, subdivision 2, is amended to read:

56.26 Subd. 2. **Prohibited actions; penalty.** (a) A person may not ~~possess or~~ release feral
56.27 swine or swine that were feral during any part of the swine's lifetime or allow feral swine
56.28 to run at large. Except as provided under paragraph (b), a person may not possess feral
56.29 swine or swine that were feral during any part of the swine's lifetime.

56.30 (b) A person may not hunt or trap feral swine, except as authorized by the commissioner
56.31 for feral swine control or eradication. It is not a violation of this section if a person shoots
56.32 a feral swine and reports the taking to the commissioner within 24 hours. All swine taken

57.1 in this manner must be surrendered to the commissioner unless the commissioner authorizes
57.2 the person to keep the swine.

57.3 (c) A person who violates this subdivision is guilty of a misdemeanor.

57.4 Sec. 27. Minnesota Statutes 2016, section 97B.015, subdivision 6, is amended to read:

57.5 Subd. 6. **Provisional certificate for persons with permanent physical or**
57.6 **developmental disability.** Upon the recommendation of a course instructor, the
57.7 commissioner may issue a provisional firearms safety certificate to a person who satisfactorily
57.8 completes the classroom portion of the firearms safety course but is unable to pass the
57.9 written or an alternate format exam portion of the course because of a permanent physical
57.10 disability or developmental disability as defined in section 97B.1055, subdivision 1. The
57.11 certificate is valid only when used according to section 97B.1055.

57.12 Sec. 28. Minnesota Statutes 2016, section 97B.081, subdivision 3, is amended to read:

57.13 Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

57.14 (1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons
57.15 according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

57.16 (2) hunt fox or coyote from January 1 to March 15 while using ~~a handheld~~ an artificial
57.17 light, provided that the person is:

57.18 (i) on foot;

57.19 (ii) using a shotgun;

57.20 (iii) not within a public road right-of-way;

57.21 (iv) using a handheld or electronic calling device; and

57.22 (v) not within 200 feet of a motor vehicle; or

57.23 (3) cast the rays of a handheld artificial light to retrieve wounded or dead big game
57.24 animals, provided that the person is:

57.25 (i) on foot; and

57.26 (ii) not in possession of a firearm or bow.

57.27 (b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight,
57.28 headlight, or other artificial light to:

58.1 (1) carry out any agricultural, safety, emergency response, normal vehicle operation, or
 58.2 occupation-related activities that do not involve taking wild animals; or

58.3 (2) carry out outdoor recreation as defined in section 97B.001 that is not related to
 58.4 spotting, locating, or taking a wild animal.

58.5 (c) Except as otherwise provided by the game and fish laws, it is not a violation of this
 58.6 section for a person to use an electronic range finder device from one-half hour before
 58.7 sunrise until one-half hour after sunset while lawfully hunting wild animals.

58.8 (d) It is not a violation of this section for a licensed bear hunter to cast the rays of a
 58.9 handheld artificial light to track or retrieve a wounded or dead bear while possessing a
 58.10 firearm, provided that the person:

58.11 (1) has the person's valid bear-hunting license in possession;

58.12 (2) is on foot; and

58.13 (3) is following the blood trail of a bear that was shot during legal shooting hours.

58.14 Sec. 29. Minnesota Statutes 2016, section 97B.1055, is amended to read:

58.15 **97B.1055 HUNTING BY PERSONS WITH A PERMANENT PHYSICAL OR**
 58.16 **DEVELOPMENTAL DISABILITY.**

58.17 Subdivision 1. **Definitions.** For purposes of this section and section 97B.015, subdivision
 58.18 6_;

58.19 (1) "person with developmental disability" means a person who has been diagnosed as
 58.20 having substantial limitations in present functioning, manifested as significantly subaverage
 58.21 intellectual functioning, existing concurrently with demonstrated deficits in adaptive behavior,
 58.22 and who manifests these conditions before the person's 22nd birthday_;

58.23 ~~A~~ (2) "person with a related condition" means a person who meets the diagnostic
 58.24 definition under section 252.27, subdivision 1a_; and

58.25 (3) "person with a permanent physical disability" means a person who has a physical
 58.26 disability that prevents them from being able to navigate natural terrain or hold a firearm
 58.27 for the purpose of a required field component for the firearms safety training program under
 58.28 section 97B.020.

58.29 Subd. 2. **Obtaining a license.** (a) Notwithstanding section 97B.020, a person with a
 58.30 permanent physical disability or developmental disability may obtain a firearms hunting

59.1 license with a provisional firearms safety certificate issued under section 97B.015,
59.2 subdivision 6.

59.3 (b) Any person accompanying or assisting a person with a permanent physical disability
59.4 or developmental disability under this section must possess a valid firearms safety certificate
59.5 issued by the commissioner.

59.6 Subd. 3. **Assistance required.** A person who obtains a firearms hunting license under
59.7 subdivision 2 must be accompanied and assisted by a parent, guardian, or other adult person
59.8 designated by a parent or guardian when hunting. A person who is not hunting but is solely
59.9 accompanying and assisting a person with a permanent physical disability or developmental
59.10 disability need not obtain a hunting license.

59.11 Subd. 4. **Prohibited activities.** (a) This section does not entitle a person to possess a
59.12 firearm if the person is otherwise prohibited from possessing a firearm under state or federal
59.13 law or a court order.

59.14 (b) No person shall knowingly authorize or permit a person, who by reason of a permanent
59.15 physical disability or developmental disability is incapable of safely possessing a firearm,
59.16 to possess a firearm to hunt in the state or on any boundary water of the state.

59.17 Sec. 30. Minnesota Statutes 2016, section 97C.345, subdivision 3a, is amended to read:

59.18 Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard
59.19 shad for use as bait for angling:

59.20 (1) from July 1 to November 30; and

59.21 (2) from the Minnesota River downstream of Granite Falls, Mississippi River downstream
59.22 of St. Anthony Falls₂ and the St. Croix River downstream of the dam at Taylors Falls,
59.23 including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules,
59.24 part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under
59.25 section 84D.03, subdivision 3.

59.26 (b) Cast nets used under this subdivision must be monofilament and may not exceed
59.27 ~~seven~~ five feet in ~~diameter~~ radius, and mesh size must be from three-eighths to five-eighths
59.28 inch bar measure. No more than two cast nets may be used at one time.

59.29 ~~(e) This subdivision expires December 1, 2017. The commissioner must report to the~~
59.30 ~~chairs and ranking minority members of the house of representatives and senate committees~~
59.31 ~~with jurisdiction over environment and natural resources by March 1, 2018, on the number~~

60.1 of permits issued, conservation impacts from the use of cast nets, and recommendations for
60.2 any necessary changes in statutes or rules.

60.3 **EFFECTIVE DATE.** This section is effective retroactively from December 1, 2017.

60.4 Sec. 31. Minnesota Statutes 2016, section 103B.3369, subdivision 5, is amended to read:

60.5 Subd. 5. **Financial assistance.** A base grant, contract, or payment may be awarded to a
60.6 county or other local unit of government that provides a match utilizing a water
60.7 implementation tax or other local source. A water implementation tax that a county or other
60.8 local unit of government intends to use as a match to the base grant must be levied at a rate
60.9 sufficient to generate a minimum amount determined by the board. The board may award
60.10 performance-based or watershed-based grants, contracts, or payments to local units of
60.11 government that are responsible for implementing elements of applicable portions of
60.12 watershed management plans, comprehensive plans, local water management plans, or
60.13 comprehensive watershed management plans, developed or amended, adopted and approved,
60.14 according to chapter 103B, 103C, or 103D. Upon request by a local government unit, the
60.15 board may also award performance-based grants to local units of government to carry out
60.16 TMDL implementation plans as provided in chapter 114D, if the TMDL implementation
60.17 plan has been incorporated into the local water management plan according to the procedures
60.18 for approving comprehensive plans, watershed management plans, local water management
60.19 plans, or comprehensive watershed management plans under chapter 103B, 103C, or 103D,
60.20 or if the TMDL implementation plan has undergone a public review process. Notwithstanding
60.21 section 16A.41, the board may award ~~performance-based~~ grants, contracts, or payments on
60.22 an advanced basis. The fee authorized in section 40A.152 may be used as a local match or
60.23 as a supplement to state funding to accomplish implementation of comprehensive plans,
60.24 watershed management plans, local water management plans, or comprehensive watershed
60.25 management plans under this chapter and chapter 103C or 103D.

60.26 Sec. 32. Minnesota Statutes 2016, section 103B.3369, subdivision 9, is amended to read:

60.27 Subd. 9. ~~Performance-based~~ **Criteria.** (a) The board ~~shall~~ must develop and utilize
60.28 performance-based criteria for local water resources restoration, protection, and management
60.29 programs and projects. The criteria may include but are not limited to science-based
60.30 assessments, organizational capacity, priority resource issues, community outreach and
60.31 support, partnership potential, potential for multiple benefits, and program and project
60.32 delivery efficiency and effectiveness.

61.1 (b) Notwithstanding paragraph (a), the board may develop and utilize eligibility criteria
61.2 for base amounts of state funding to local governments.

61.3 Sec. 33. Minnesota Statutes 2016, section 103B.3369, is amended by adding a subdivision
61.4 to read:

61.5 Subd. 10. **Red River Basin Commission.** (a) The board may provide information and
61.6 technical or financial support to the Red River Basin Commission in furtherance of the
61.7 watershed management policy under section 103A.212.

61.8 (b) For the purposes of this subdivision, "Red River Basin Commission" means a Red
61.9 River of the North transboundary, nonprofit corporation organized under section 501(c)(3)
61.10 of the Internal Revenue Code and respective bylaws with the purpose of facilitating
61.11 transboundary and basin-wide dialogue; consulting with citizens, land users, organizations,
61.12 and governments; and coordinating basin-wide interstate and international efforts on water
61.13 management including but not limited to flood mitigation, water quality, water supply,
61.14 drainage, aquatic health, and recreation.

61.15 Sec. 34. Minnesota Statutes 2016, section 103B.801, subdivision 2, is amended to read:

61.16 Subd. 2. **Program purposes.** The purposes of the comprehensive watershed management
61.17 plan program under section 103B.101, subdivision 14, paragraph (a), are to:

61.18 (1) align local water planning purposes and procedures under this chapter and chapters
61.19 103C and 103D on watershed boundaries to create a systematic, watershed-wide,
61.20 science-based approach to watershed management;

61.21 (2) acknowledge and build off existing local government structure, water plan services,
61.22 and local capacity;

61.23 (3) incorporate and make use of data and information, including watershed restoration
61.24 and protection strategies under section 114D.26, which may serve to fulfill all or some of
61.25 the requirements under chapter 114D;

61.26 (4) solicit input and engage experts from agencies, citizens, and stakeholder groups;

61.27 (5) focus on implementation of prioritized and targeted actions capable of achieving
61.28 measurable progress; and

61.29 (6) serve as a substitute for a comprehensive plan, local water management plan, or
61.30 watershed management plan developed or amended, approved, and adopted, according to
61.31 this chapter or chapter 103C or 103D.

62.1 Sec. 35. Minnesota Statutes 2016, section 103B.801, subdivision 5, is amended to read:

62.2 Subd. 5. **Timelines; administration.** (a) The board shall develop and adopt, by June
62.3 30, 2016, a transition plan for development, approval, adoption, and coordination of plans
62.4 consistent with section 103A.212. The transition plan must include a goal of completing
62.5 statewide transition to comprehensive watershed management plans by 2025. The
62.6 metropolitan area may be considered for inclusion in the transition plan. The board may
62.7 amend the transition plan no more often than once every two years.

62.8 (b) The board may use the authority under section 103B.3369, subdivision 9, to support
62.9 development or implementation of a comprehensive watershed management plan under this
62.10 section.

62.11 Sec. 36. Minnesota Statutes 2016, section 103E.021, subdivision 6, is amended to read:

62.12 Subd. 6. **Incremental ~~implementation~~ establishment of vegetated ditch buffer strips**
62.13 **and side inlet controls.** (a) Notwithstanding other provisions of this chapter requiring
62.14 appointment of viewers and redetermination of benefits and damages, a drainage authority
62.15 may ~~implement~~ make findings and order the establishment of permanent buffer strips of
62.16 perennial vegetation approved by the drainage authority or side inlet controls, or both,
62.17 adjacent to a public drainage ditch, where necessary to control erosion and sedimentation,
62.18 improve water quality, or maintain the efficiency of the drainage system. The drainage
62.19 authority's finding that the establishment of permanent buffer strips of perennial vegetation
62.20 or side inlet controls is necessary to control erosion and sedimentation, improve water
62.21 quality, or maintain the efficiency of the drainage system is sufficient to confer jurisdiction
62.22 under this subdivision. Preference should be given to planting native species of a local
62.23 ecotype. The approved perennial vegetation shall not impede future maintenance of the
62.24 ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured
62.25 outward from the top edge of the existing constructed channel. Drainage system rights-of-way
62.26 for the acreage and additional property required for the permanent strips must be acquired
62.27 by the authority having jurisdiction.

62.28 (b) A project under this subdivision shall be implemented as a repair according to section
62.29 103E.705, except that the drainage authority may appoint an engineer to examine the drainage
62.30 system and prepare an engineer's repair report for the project.

62.31 (c) Damages shall be determined by the drainage authority, or viewers, appointed by
62.32 the drainage authority, according to section 103E.315, subdivision 8. A damages statement
62.33 shall be prepared, including an explanation of how the damages were determined for each
62.34 property affected by the project, and filed with the auditor or watershed district. Within 30

63.1 days after the damages statement is filed, the auditor or watershed district shall prepare
63.2 property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6),
63.3 (7), and (8), and mail a copy of the property owner's report and damages statement to each
63.4 owner of property affected by the proposed project.

63.5 (d) After a damages statement is filed, the drainage authority shall set a time, by order,
63.6 not more than 30 days after the date of the order, for a hearing on the project. At least ten
63.7 days before the hearing, the auditor or watershed district shall give notice by mail of the
63.8 time and location of the hearing to the owners of property and political subdivisions likely
63.9 to be affected by the project.

63.10 (e) The drainage authority shall make findings and order the repairs to be made if the
63.11 drainage authority determines from the evidence presented at the hearing and by the viewers
63.12 and engineer, if appointed, that the repairs are necessary for the drainage system and the
63.13 costs of the repairs are within the limitations of section 103E.705.

63.14 Sec. 37. Minnesota Statutes 2016, section 103E.071, is amended to read:

63.15 **103E.071 COUNTY ATTORNEY.**

63.16 The county attorney shall represent the county in all drainage proceedings and related
63.17 matters without special compensation, except as provided in section 388.09, subdivision 1.
63.18 A county attorney, the county attorney's assistant, or any attorney associated with the county
63.19 attorney in business, may not otherwise appear in any drainage proceeding for any interested
63.20 person.

63.21 Sec. 38. Minnesota Statutes 2016, section 103G.2242, subdivision 14, is amended to read:

63.22 Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank
63.23 accounts and transactions as follows:

63.24 (1) account maintenance annual fee: one percent of the value of credits not to exceed
63.25 \$500;

63.26 (2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to
63.27 exceed \$1,000 per establishment, deposit, or transfer; and

63.28 (3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

63.29 (b) The board ~~may~~ must establish fees ~~at or~~ based on costs to the agency below the
63.30 amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

64.1 (c) Fees for single-user or other dedicated wetland banking accounts established pursuant
64.2 to section 103G.005, subdivision 10i, clause (4), are limited to establishment of a wetland
64.3 banking account and are assessed at the rate of 6.5 percent of the value of the credits not to
64.4 exceed \$1,000.

64.5 (d) The board may assess a fee to pay the costs associated with establishing conservation
64.6 easements, or other long-term protection mechanisms prescribed in the rules adopted under
64.7 subdivision 1, on property used for wetland replacement.

64.8 Sec. 39. Minnesota Statutes 2017 Supplement, section 103G.271, subdivision 7, is amended
64.9 to read:

64.10 Subd. 7. **Transfer of permit.** A water-use permit may be transferred to a successive
64.11 owner of real property if the permittee conveys the real property where the source of water
64.12 is located. The new owner must notify the commissioner immediately after the conveyance
64.13 and request transfer of the permit. The commissioner must not deny the transfer of a permit
64.14 if the permittee is in compliance with all permit conditions and the permit meets the
64.15 requirements of sections 103G.255 to 103G.301. The commissioner may not require
64.16 additional conditions or require additional testing when transferring a permit.

64.17 Sec. 40. [103G.276] IRRIGATION TEST WELLS.

64.18 If the commissioner requires installation of a test well for a water appropriation permit
64.19 for irrigation and denies the permit, the commissioner must pay the costs of the well.

64.20 Sec. 41. Minnesota Statutes 2016, section 103G.287, is amended by adding a subdivision
64.21 to read:

64.22 Subd. 6. **Management plans.** (a) Before the commissioner approves a management plan
64.23 or modification to a management plan for appropriating groundwater that restricts water
64.24 usage in the area, the commissioner must demonstrate to affected permit holders that any
64.25 data used to make the decision to restrict the usage supports or verifies the decision.

64.26 (b) Before the commissioner approves a management plan or modification to a
64.27 management plan for appropriating groundwater, the commissioner must consider the
64.28 economic impact of the plan or modification.

65.1 Sec. 42. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision
65.2 to read:

65.3 Subd. 3a. **Comprehensive local water management plan.** "Comprehensive local water
65.4 management plan" has the meaning given under section 103B.3363, subdivision 3.

65.5 Sec. 43. Minnesota Statutes 2016, section 114D.15, is amended by adding a subdivision
65.6 to read:

65.7 Subd. 3b. **Comprehensive watershed management plan.** "Comprehensive watershed
65.8 management plan" has the meaning given under section 103B.3363, subdivision 3a.

65.9 Sec. 44. Minnesota Statutes 2016, section 114D.15, subdivision 7, is amended to read:

65.10 Subd. 7. **Restoration.** "Restoration" means actions, ~~including effectiveness monitoring,~~
65.11 ~~that are~~ taken to pursue, achieve, and maintain water quality standards for impaired waters
65.12 ~~in accordance with a TMDL that has been approved by the United States Environmental~~
65.13 ~~Protection Agency under federal TMDL requirements.~~

65.14 Sec. 45. Minnesota Statutes 2016, section 114D.15, subdivision 11, is amended to read:

65.15 Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means:

65.16 (1) a document detailing restoration activities needed to meet the approved TMDL's
65.17 pollutant load allocations for point and nonpoint sources; or

65.18 (2) one of the following that the commissioner of the Pollution Control Agency
65.19 determines to be, in whole or part, sufficient to meet applicable water quality standards:

65.20 (i) a comprehensive watershed management plan;

65.21 (ii) a comprehensive local water management plan; or

65.22 (iii) an existing statewide or regional strategy published by the Pollution Control Agency.

65.23 Sec. 46. Minnesota Statutes 2016, section 114D.15, subdivision 13, is amended to read:

65.24 Subd. 13. **Watershed restoration and protection strategy or WRAPS.** "Watershed
65.25 restoration and protection strategy" or "WRAPS" means a document summarizing scientific
65.26 studies of a major watershed ~~no larger than~~ at approximately a hydrologic unit code 8 scale
65.27 including the physical, chemical, and biological assessment of the water quality of the
65.28 watershed; identification of impairments and water bodies in need of protection; identification
65.29 of biotic stressors and sources of pollution, both point and nonpoint; TMDL's for the

66.1 impairments; and ~~an implementation table containing~~ information to support strategies and
66.2 ~~actions~~ designed to achieve and maintain water quality standards and goals.

66.3 Sec. 47. Minnesota Statutes 2016, section 114D.20, subdivision 2, is amended to read:

66.4 Subd. 2. **Goals for implementation.** The following goals must guide the implementation
66.5 of this chapter:

66.6 (1) to identify impaired waters in accordance with federal TMDL requirements ~~within~~
66.7 ~~ten years after May 23, 2006,~~ and thereafter to ensure continuing evaluation of surface
66.8 waters for impairments;

66.9 (2) to submit TMDL's to the United States Environmental Protection Agency ~~for all~~
66.10 ~~impaired waters~~ in a timely manner in accordance with federal TMDL requirements;

66.11 (3) to ~~set a reasonable time~~ inform and support strategies for implementing restoration
66.12 ~~of each identified impaired water~~ and protection activities in a reasonable time period;

66.13 (4) to systematically evaluate waters, to provide assistance and incentives to prevent
66.14 waters from becoming impaired, and to improve the quality of waters that are listed as
66.15 impaired ~~but do not have an approved TMDL addressing the impairment;~~

66.16 (5) to promptly seek the delisting of waters from the impaired waters list when those
66.17 waters are shown to achieve the designated uses applicable to the waters;

66.18 (6) to achieve compliance with federal Clean Water Act requirements in Minnesota;

66.19 (7) to support effective measures to prevent the degradation of groundwater according
66.20 to the groundwater degradation prevention goal under section 103H.001; and

66.21 (8) to support effective measures to restore degraded groundwater.

66.22 Sec. 48. Minnesota Statutes 2016, section 114D.20, subdivision 3, is amended to read:

66.23 Subd. 3. **Implementation policies.** The following policies must guide the implementation
66.24 of this chapter:

66.25 (1) develop regional ~~and,~~ multiple pollutant, or watershed TMDL's ~~and TMDL~~
66.26 ~~implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants~~
66.27 or WRAPSs, where reasonable and feasible;

66.28 (2) maximize use of available organizational, technical, and financial resources to perform
66.29 sampling, monitoring, and other activities to identify degraded groundwater and impaired
66.30 waters, including use of citizen monitoring and citizen monitoring data used by the Pollution

67.1 Control Agency in assessing water quality that meets the requirements in ~~Appendix D of~~
 67.2 ~~the Volunteer Surface Water Monitoring Guide, Minnesota~~ established by the commissioner
 67.3 of the Pollution Control Agency (2003);

67.4 (3) maximize opportunities for restoration of degraded groundwater and impaired waters,
 67.5 by prioritizing and targeting of available programmatic, financial, and technical resources
 67.6 and by providing additional state resources to complement and leverage available resources;

67.7 (4) use existing regulatory authorities to achieve restoration for point and nonpoint
 67.8 sources of pollution where applicable, and promote the development and use of effective
 67.9 nonregulatory measures to address pollution sources for which regulations are not applicable;

67.10 (5) use restoration methods that have a demonstrated effectiveness in reducing
 67.11 impairments and provide the greatest long-term positive impact on water quality protection
 67.12 and improvement and related conservation benefits while incorporating innovative approaches
 67.13 on a case-by-case basis;

67.14 (6) identify for the legislature any innovative approaches that may strengthen or
 67.15 complement existing programs;

67.16 (7) identify and encourage implementation of measures to prevent surface waters from
 67.17 becoming impaired and to improve the quality of waters that are listed as impaired but have
 67.18 no approved TMDL addressing the impairment using the best available data and technology,
 67.19 and establish and report outcome-based performance measures that monitor the progress
 67.20 and effectiveness of protection and restoration measures;

67.21 (8) monitor and enforce cost-sharing contracts and impose monetary damages in an
 67.22 amount up to 150 percent of the financial assistance received for failure to comply; and

67.23 (9) identify and encourage implementation of measures to prevent groundwater from
 67.24 becoming degraded and measures that restore groundwater resources.

67.25 Sec. 49. Minnesota Statutes 2016, section 114D.20, subdivision 5, is amended to read:

67.26 Subd. 5. **Priorities for preparing WRAPSs AND TMDL's.** In consultation with the
 67.27 Clean Water Council shall recommend, the commissioner of the Pollution Control Agency
 67.28 must coordinate with the commissioners of natural resources, health, and agriculture, the
 67.29 Board of Water and Soil Resources, and, when applicable, the Minnesota Forest Resources
 67.30 Council to establish priorities for scheduling and preparing WRAPSs and TMDL's and
 67.31 TMDL implementation plans, taking into account, considering the severity and causes of
 67.32 the impairment impairments, the designated uses of those the waters, and other applicable
 67.33 federal TMDL requirements. In recommending priorities, the council shall also give

68.1 ~~Consideration to, groundwater and high-quality waters and watersheds watershed protection,~~
68.2 ~~waters and watersheds with declining water quality trends, waters used as drinking water~~
68.3 ~~sources, and waters and watersheds:~~

68.4 (1) with impairments that pose the greatest potential risk to human health;

68.5 (2) with impairments that pose the greatest potential risk to threatened or endangered
68.6 species;

68.7 (3) with impairments that pose the greatest potential risk to aquatic health;

68.8 (4) where other public agencies and participating organizations and individuals, especially
68.9 local, ~~basinwide~~ basin-wide, watershed, or regional agencies or organizations, have
68.10 demonstrated readiness to assist in carrying out the responsibilities, including availability
68.11 and organization of human, technical, and financial resources necessary to undertake the
68.12 work; and

68.13 (5) where there is demonstrated coordination and cooperation among cities, counties,
68.14 watershed districts, and soil and water conservation districts in planning and implementation
68.15 of activities that will assist in carrying out the responsibilities.

68.16 Sec. 50. Minnesota Statutes 2016, section 114D.20, subdivision 7, is amended to read:

68.17 Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall
68.18 apply the priorities applicable under subdivision 6, as far as practicable, when recommending
68.19 priorities for funding actions to prevent groundwater and surface waters from becoming
68.20 degraded or impaired and to improve the quality of surface waters that are listed as impaired
68.21 ~~but do not have an approved TMDL.~~

68.22 Sec. 51. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision
68.23 to read:

68.24 Subd. 8. **Alternatives; TMDL, TMDL implementation plan, or WRAPS.** (a) If the
68.25 commissioner of the Pollution Control Agency determines that a comprehensive watershed
68.26 management plan or comprehensive local water management plan contains information that
68.27 is sufficient and consistent with guidance from the United States Environmental Protection
68.28 Agency, including the recommended structure for category 4b demonstrations or its
68.29 replacement under section 303(d) of the federal Clean Water Act, the commissioner may
68.30 submit the plan to the Environmental Protection Agency according to federal TMDL
68.31 requirements as an alternative to developing a TMDL.

69.1 (b) A TMDL implementation plan or a WRAPS, or portions thereof, are not needed for
69.2 waters or watersheds when the commissioner of the Pollution Control Agency determines
69.3 that a comprehensive watershed management plan, a comprehensive local water management
69.4 plan, or a statewide or regional strategy published by the Pollution Control Agency meets
69.5 the definition in section 114D.15, subdivision 11 or 13.

69.6 (c) The commissioner of the Pollution Control Agency may request that the Board of
69.7 Water and Soil Resources conduct an evaluation of the implementation efforts under a
69.8 comprehensive watershed management plan or comprehensive local water management
69.9 plan when the commissioner makes a determination under paragraph (b). The board must
69.10 conduct the evaluation in accordance with section 103B.102.

69.11 (d) The commissioner of the Pollution Control Agency may amend or revoke a
69.12 determination made under paragraph (a) or (b) after considering the evaluation conducted
69.13 under paragraph (c).

69.14 Sec. 52. Minnesota Statutes 2016, section 114D.20, is amended by adding a subdivision
69.15 to read:

69.16 Subd. 9. **Coordinating municipal and local water quality activities.** A project, practice,
69.17 or program for water quality improvement or protection that is conducted by a watershed
69.18 management organization or a local government unit with a comprehensive watershed
69.19 management plan or other water management plan approved according to chapter 103B,
69.20 103C, or 103D may be considered as contributing to the requirements of a storm water
69.21 pollution prevention plan (SWPPP) for a municipal separate storm sewer systems (MS4)
69.22 permit unless the project, practice, or program was previously documented as contributing
69.23 to a different SWPPP for an MS4 permit.

69.24 Sec. 53. Minnesota Statutes 2016, section 114D.26, is amended to read:

69.25 **114D.26 WATERSHED RESTORATION AND PROTECTION STRATEGIES.**

69.26 Subdivision 1. **Contents.** (a) The commissioner of the Pollution Control Agency shall
69.27 must develop watershed restoration and protection strategies- for:

69.28 (1) quantifying impairments and risks to water quality;

69.29 (2) describing the causes of impairments and pollution sources;

69.30 (3) consolidating TMDLs in a major watershed; and

70.1 (4) informing comprehensive local water management plans and comprehensive
 70.2 watershed management plans.

70.3 (b) To ensure effectiveness, efficiency, and accountability in meeting the goals of this
 70.4 chapter, the commissioner of the Pollution Control Agency and the Board of Water and
 70.5 Soil Resources must coordinate the schedule, budget, scope, and use of a WRAPS and
 70.6 related documents and processes in consultation with local government units and, when
 70.7 applicable, the Minnesota Forest Resources Council in consideration of section 114D.20,
 70.8 subdivision 8. Each WRAPS shall must:

70.9 (1) identify impaired waters and waters in need of protection;

70.10 (2) identify biotic stressors causing impairments or threats to water quality;

70.11 (3) summarize watershed modeling outputs and resulting pollution load allocations; and
 70.12 wasteload allocations; and priority areas for targeting actions to improve water quality and
 70.13 identify areas with high pollutant-loading rates;

70.14 (4) identify point sources of pollution for which a national pollutant discharge elimination
 70.15 system permit is required under section 115.03;

70.16 (5) identify nonpoint sources of pollution for which a national pollutant discharge
 70.17 elimination system permit is not required under section 115.03, with sufficient specificity
 70.18 to ~~prioritize and geographically locate~~ inform watershed restoration and protection ~~actions~~
 70.19 strategies;

70.20 (6) describe the current pollution loading and load reduction needed for each source or
 70.21 source category to meet water quality standards and goals, including wasteload and load
 70.22 allocations from TMDL's;

70.23 (7) ~~contain a plan for ongoing~~ identify water quality monitoring needed to fill data gaps,
 70.24 determine changing conditions, and or gauge implementation effectiveness; and

70.25 (8) ~~contain an implementation table of strategies and actions~~ that are capable of
 70.26 cumulatively achieving needed pollution load reductions for point and nonpoint sources,
 70.27 including identifying:

70.28 (i) water quality parameters of concern;

70.29 (ii) current water quality conditions;

70.30 (iii) water quality goals and targets by parameter of concern; and

71.1 (iv) ~~strategies and actions by parameter of concern and an example of the scale of~~
 71.2 ~~adoptions needed for each; with a timeline to meet the water quality restoration or protection~~
 71.3 ~~goals of this chapter.~~

71.4 ~~(v) a timeline for achievement of water quality targets;~~

71.5 ~~(vi) the governmental units with primary responsibility for implementing each watershed~~
 71.6 ~~restoration or protection strategy; and~~

71.7 ~~(vii) a timeline and interim milestones for achievement of watershed restoration or~~
 71.8 ~~protection implementation actions within ten years of strategy adoption.~~

71.9 Subd. 2. **Reporting.** ~~Beginning July 1, 2016, and every other year thereafter, The~~
 71.10 ~~commissioner of the Pollution Control Agency must periodically report on its the agency's~~
 71.11 ~~Web site the progress toward implementation milestones and water quality goals for all~~
 71.12 ~~adopted TMDL's and, where available, WRAPS's.~~

71.13 Subd. 3. **Timelines; administration.** ~~Each year, (a) The commissioner of the Pollution~~
 71.14 ~~Control Agency must complete WRAPS's for at least ten percent of watershed restoration~~
 71.15 ~~and protection strategies for the state's major watersheds. WRAPS shall be by June 30,~~
 71.16 ~~2023, unless the commissioner determines that a comprehensive watershed management~~
 71.17 ~~plan or comprehensive local water management plan, in whole or part, meets the definition~~
 71.18 ~~in section 114D.15, subdivision 11 or 13. As needed, the commissioner must update the~~
 71.19 ~~strategies, in whole or part, after consultation with the Board of Water and Soil Resources~~
 71.20 ~~and local government units.~~

71.21 ~~(b) Watershed restoration and protection strategies are governed by the procedures for~~
 71.22 ~~approval and notice in section 114D.25, subdivisions 2 and 4, except that WRAPS the~~
 71.23 ~~strategies need not be submitted to the United States Environmental Protection Agency.~~

71.24 Sec. 54. Minnesota Statutes 2016, section 114D.35, subdivision 1, is amended to read:

71.25 Subdivision 1. **Public and stakeholder participation.** ~~(a) Public agencies and private~~
 71.26 ~~entities involved in the implementation of implementing this chapter shall must encourage~~
 71.27 ~~participation by the public and stakeholders, including local citizens, landowners and, land~~
 71.28 ~~managers, and public and private organizations, in identifying impaired waters, in developing~~
 71.29 ~~TMDL's, in planning, priority setting, and implementing restoration of impaired waters, in~~
 71.30 ~~identifying degraded groundwater, and in protecting and restoring groundwater resources.~~

71.31 ~~(b) In particular, the commissioner of the Pollution Control Agency shall must make~~
 71.32 ~~reasonable efforts to provide timely information to the public and to stakeholders about~~
 71.33 ~~impaired waters that have been identified by the agency. The agency shall seek broad and~~

72.1 ~~early public and stakeholder participation in scoping the activities necessary to develop a~~
 72.2 ~~TMDL, including the scientific models, methods, and approaches to be used in TMDL~~
 72.3 ~~development, and to implement restoration pursuant to section 114D.15, subdivision 7, and~~
 72.4 ~~to inform and consult with the public and stakeholders in developing a WRAPS or TMDL.~~

72.5 (c) Public agencies and private entities involved in implementing restoration and
 72.6 protection identified in a comprehensive watershed management plan or comprehensive
 72.7 local water management plan must make efforts to inform, consult, and involve the public
 72.8 and stakeholders.

72.9 (d) The commissioner of the Pollution Control Agency and the Board of Water and Soil
 72.10 Resources must coordinate public and stakeholder participation in consultation with local
 72.11 government units. To the extent practicable, implementation of this chapter must be
 72.12 accomplished in cooperation with local, state, federal, and tribal governments and private
 72.13 sector organizations.

72.14 Sec. 55. Minnesota Statutes 2016, section 114D.35, subdivision 3, is amended to read:

72.15 Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing,
 72.16 educating, and encouraging the participation of citizens, stakeholders, and others regarding
 72.17 ~~the identification of impaired waters, development of TMDL's, development of TMDL~~
 72.18 ~~implementation plans, implementation of restoration for impaired waters, identification of~~
 72.19 ~~degraded groundwater, and protection and restoration of groundwater resources~~ this chapter.
 72.20 Public agencies ~~shall be~~ are responsible for implementing the strategies.

72.21 Sec. 56. Minnesota Statutes 2016, section 115.03, subdivision 1, is amended to read:

72.22 Subdivision 1. **Generally.** The agency is hereby given and charged with the following
 72.23 powers and duties:

72.24 (a) to administer and enforce all laws relating to the pollution of any of the waters of
 72.25 the state;

72.26 (b) to investigate the extent, character, and effect of the pollution of the waters of this
 72.27 state and to gather data and information necessary or desirable in the administration or
 72.28 enforcement of pollution laws, and to make such classification of the waters of the state as
 72.29 it may deem advisable;

72.30 (c) to establish and alter such reasonable pollution standards for any waters of the state
 72.31 in relation to the public use to which they are or may be put as it shall deem necessary for

73.1 the purposes of this chapter and, with respect to the pollution of waters of the state, chapter
73.2 116;

73.3 (d) to encourage waste treatment, including advanced waste treatment, instead of stream
73.4 low-flow augmentation for dilution purposes to control and prevent pollution;

73.5 (e) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable
73.6 orders, permits, variances, standards, rules, schedules of compliance, and stipulation
73.7 agreements, under such conditions as it may prescribe, in order to prevent, control or abate
73.8 water pollution, or for the installation or operation of disposal systems or parts thereof, or
73.9 for other equipment and facilities:

73.10 (1) requiring the discontinuance of the discharge of sewage, industrial waste or other
73.11 wastes into any waters of the state resulting in pollution in excess of the applicable pollution
73.12 standard established under this chapter;

73.13 (2) prohibiting or directing the abatement of any discharge of sewage, industrial waste,
73.14 or other wastes, into any waters of the state or the deposit thereof or the discharge into any
73.15 municipal disposal system where the same is likely to get into any waters of the state in
73.16 violation of this chapter and, with respect to the pollution of waters of the state, chapter
73.17 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying
73.18 the schedule of compliance within which such prohibition or abatement must be
73.19 accomplished;

73.20 (3) prohibiting the storage of any liquid or solid substance or other pollutant in a manner
73.21 which does not reasonably assure proper retention against entry into any waters of the state
73.22 that would be likely to pollute any waters of the state;

73.23 (4) requiring the construction, installation, maintenance, and operation by any person
73.24 of any disposal system or any part thereof, or other equipment and facilities, or the
73.25 reconstruction, alteration, or enlargement of its existing disposal system or any part thereof,
73.26 or the adoption of other remedial measures to prevent, control or abate any discharge or
73.27 deposit of sewage, industrial waste or other wastes by any person;

73.28 (5) establishing, and from time to time revising, standards of performance for new sources
73.29 taking into consideration, among other things, classes, types, sizes, and categories of sources,
73.30 processes, pollution control technology, cost of achieving such effluent reduction, and any
73.31 nonwater quality environmental impact and energy requirements. Said standards of
73.32 performance for new sources shall encompass those standards for the control of the discharge
73.33 of pollutants which reflect the greatest degree of effluent reduction which the agency
73.34 determines to be achievable through application of the best available demonstrated control

74.1 technology, processes, operating methods, or other alternatives, including, where practicable,
74.2 a standard permitting no discharge of pollutants. New sources shall encompass buildings,
74.3 structures, facilities, or installations from which there is or may be the discharge of pollutants,
74.4 the construction of which is commenced after the publication by the agency of proposed
74.5 rules prescribing a standard of performance which will be applicable to such source.

74.6 Notwithstanding any other provision of the law of this state, any point source the construction
74.7 of which is commenced after May 20, 1973, and which is so constructed as to meet all
74.8 applicable standards of performance for new sources shall, consistent with and subject to
74.9 the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution
74.10 Control Act, not be subject to any more stringent standard of performance for new sources
74.11 during a ten-year period beginning on the date of completion of such construction or during
74.12 the period of depreciation or amortization of such facility for the purposes of section 167
74.13 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first.
74.14 Construction shall encompass any placement, assembly, or installation of facilities or
74.15 equipment, including contractual obligations to purchase such facilities or equipment, at
74.16 the premises where such equipment will be used, including preparation work at such
74.17 premises;

74.18 (6) establishing and revising pretreatment standards to prevent or abate the discharge of
74.19 any pollutant into any publicly owned disposal system, which pollutant interferes with,
74.20 passes through, or otherwise is incompatible with such disposal system;

74.21 (7) requiring the owner or operator of any disposal system or any point source to establish
74.22 and maintain such records, make such reports, install, use, and maintain such monitoring
74.23 equipment or methods, including where appropriate biological monitoring methods, sample
74.24 such effluents in accordance with such methods, at such locations, at such intervals, and in
74.25 such a manner as the agency shall prescribe, and providing such other information as the
74.26 agency may reasonably require;

74.27 (8) notwithstanding any other provision of this chapter, and with respect to the pollution
74.28 of waters of the state, chapter 116, requiring the achievement of more stringent limitations
74.29 than otherwise imposed by effluent limitations in order to meet any applicable water quality
74.30 standard by establishing new effluent limitations, based upon section 115.01, subdivision
74.31 13, clause (b), including alternative effluent control strategies for any point source or group
74.32 of point sources to insure the integrity of water quality classifications, whenever the agency
74.33 determines that discharges of pollutants from such point source or sources, with the
74.34 application of effluent limitations required to comply with any standard of best available
74.35 technology, would interfere with the attainment or maintenance of the water quality

75.1 classification in a specific portion of the waters of the state. Prior to establishment of any
75.2 such effluent limitation, the agency shall hold a public hearing to determine the relationship
75.3 of the economic and social costs of achieving such limitation or limitations, including any
75.4 economic or social dislocation in the affected community or communities, to the social and
75.5 economic benefits to be obtained and to determine whether or not such effluent limitation
75.6 can be implemented with available technology or other alternative control strategies. If a
75.7 person affected by such limitation demonstrates at such hearing that, whether or not such
75.8 technology or other alternative control strategies are available, there is no reasonable
75.9 relationship between the economic and social costs and the benefits to be obtained, such
75.10 limitation shall not become effective and shall be adjusted as it applies to such person;

75.11 (9) modifying, in its discretion, any requirement or limitation based upon best available
75.12 technology with respect to any point source for which a permit application is filed after July
75.13 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the
75.14 agency that such modified requirements will represent the maximum use of technology
75.15 within the economic capability of the owner or operator and will result in reasonable further
75.16 progress toward the elimination of the discharge of pollutants; and

75.17 (10) requiring that applicants for wastewater discharge permits evaluate in their
75.18 applications the potential reuses of the discharged wastewater;

75.19 (f) to require to be submitted and to approve plans and specifications for disposal systems
75.20 or point sources, or any part thereof and to inspect the construction thereof for compliance
75.21 with the approved plans and specifications thereof;

75.22 (g) to prescribe and alter rules, not inconsistent with law, for the conduct of the agency
75.23 and other matters within the scope of the powers granted to and imposed upon it by this
75.24 chapter and, with respect to pollution of waters of the state, in chapter 116, provided that
75.25 every rule affecting any other department or agency of the state or any person other than a
75.26 member or employee of the agency shall be filed with the secretary of state;

75.27 (h) to conduct such investigations, issue such notices, public and otherwise, and hold
75.28 such hearings as are necessary or which it may deem advisable for the discharge of its duties
75.29 under this chapter and, with respect to the pollution of waters of the state, under chapter
75.30 116, including, but not limited to, the issuance of permits, and to authorize any member,
75.31 employee, or agent appointed by it to conduct such investigations or, issue such notices and
75.32 hold such hearings;

75.33 (i) for the purpose of water pollution control planning by the state and pursuant to the
75.34 Federal Water Pollution Control Act, as amended, to establish and revise planning areas,

76.1 adopt plans and programs and continuing planning processes, including, but not limited to,
76.2 basin plans and areawide waste treatment management plans, and to provide for the
76.3 implementation of any such plans by means of, including, but not limited to, standards, plan
76.4 elements, procedures for revision, intergovernmental cooperation, residual treatment process
76.5 waste controls, and needs inventory and ranking for construction of disposal systems;

76.6 (j) to train water pollution control personnel, and charge such fees therefor as are
76.7 necessary to cover the agency's costs. The fees under this paragraph are subject to legislative
76.8 approval under section 16A.1283. All such fees received shall be paid into the state treasury
76.9 and credited to the Pollution Control Agency training account;

76.10 (k) to impose as additional conditions in permits to publicly owned disposal systems
76.11 appropriate measures to insure compliance by industrial and other users with any pretreatment
76.12 standard, including, but not limited to, those related to toxic pollutants, and any system of
76.13 user charges ratably as is hereby required under state law or said Federal Water Pollution
76.14 Control Act, as amended, or any regulations or guidelines promulgated thereunder;

76.15 (l) to set a period not to exceed five years for the duration of any national pollutant
76.16 discharge elimination system permit or not to exceed ten years for any permit issued as a
76.17 state disposal system permit only;

76.18 (m) to require each governmental subdivision identified as a permittee for a wastewater
76.19 treatment works to evaluate in every odd-numbered year the condition of its existing system
76.20 and identify future capital improvements that will be needed to attain or maintain compliance
76.21 with a national pollutant discharge elimination system or state disposal system permit; and

76.22 (n) to train subsurface sewage treatment system personnel, including persons who design,
76.23 construct, install, inspect, service, and operate subsurface sewage treatment systems, and
76.24 charge fees as necessary to pay the agency's costs. The fees under this paragraph are subject
76.25 to legislative approval under section 16A.1283. All fees received must be paid into the state
76.26 treasury and credited to the agency's training account. Money in the account is appropriated
76.27 to the agency to pay expenses related to training.

76.28 The information required in clause (m) must be submitted in every odd-numbered year to
76.29 the commissioner on a form provided by the commissioner. The commissioner shall provide
76.30 technical assistance if requested by the governmental subdivision.

76.31 The powers and duties given the agency in this subdivision also apply to permits issued
76.32 under chapter 114C.

77.1 Sec. 57. Minnesota Statutes 2016, section 115.03, subdivision 5, is amended to read:

77.2 Subd. 5. **Agency authority; national pollutant discharge elimination system.** (a)

77.3 Notwithstanding any other provisions prescribed in or pursuant to this chapter and, with
77.4 respect to the pollution of waters of the state, in chapter 116, or otherwise, the agency shall
77.5 have the authority to perform any and all acts minimally necessary including, but not limited
77.6 to, the establishment and application of standards, procedures, rules, orders, variances,
77.7 stipulation agreements, schedules of compliance, and permit conditions, consistent with
77.8 and, therefore not less stringent than the provisions of the Federal Water Pollution Control
77.9 Act, as amended, applicable to the participation by the state of Minnesota in the national
77.10 pollutant discharge elimination system (NPDES); provided that this provision shall not be
77.11 construed as a limitation on any powers or duties otherwise residing with the agency pursuant
77.12 to any provision of law.

77.13 (b) An activity that conveys or connects waters of the state without subjecting the
77.14 transferred water to intervening industrial, municipal, or commercial use does not require
77.15 a national pollutant discharge elimination system permit. This exemption does not apply to
77.16 pollutants introduced by the activity itself to the water being transferred.

77.17 Sec. 58. Minnesota Statutes 2016, section 115.035, is amended to read:

77.18 **115.035 EXTERNAL PEER REVIEW OF WATER QUALITY STANDARDS.**

77.19 ~~(a) When the commissioner convenes an external peer review panel during the~~
77.20 ~~promulgation or amendment of water quality standards, the commissioner must provide~~
77.21 ~~notice and take public comment on the charge questions for the external peer review panel~~
77.22 ~~and must allow written and oral public comment as part of the external peer review panel~~
77.23 ~~process. Every new or revised numeric water quality standard must be supported by a~~
77.24 technical support document that provides the scientific basis for the proposed standard and
77.25 that has undergone external, scientific peer review. Numeric water quality standards in
77.26 which the agency is adopting, without change, a United States Environmental Protection
77.27 Agency criterion that has been through peer review are not subject to this paragraph.

77.28 Documentation of the external peer review panel, including the name or names of the peer
77.29 reviewer or reviewers, must be included in the statement of need and reasonableness for
77.30 the water quality standard. ~~If the commissioner does not convene an external peer review~~
77.31 ~~panel during the promulgation or amendment of water quality standards, the commissioner~~
77.32 ~~must state the reason an external peer review panel will not be convened in the statement~~
77.33 ~~of need and reasonableness.~~

78.1 (b) Every technical support document developed by the agency must be released in draft
78.2 form for public comment before peer review and before finalizing the technical support
78.3 document.

78.4 (c) The commissioner must provide public notice and information about the external
78.5 peer review through the request for comments published at the beginning of the rulemaking
78.6 process for the numeric water quality standard, and:

78.7 (1) the request for comments must identify the draft technical support document and
78.8 where the document can be found;

78.9 (2) the request for comments must include a proposed charge for the external peer review
78.10 and request comments on the charge;

78.11 (3) all comments received during the public comment period must be made available to
78.12 the external peer reviewers; and

78.13 (4) if the agency is not soliciting external peer review because the agency is adopting a
78.14 United States Environmental Protection Agency criterion without change, that must be
78.15 noted in the request for comments.

78.16 (d) The purpose of the external peer review is to evaluate whether the technical support
78.17 document and proposed standard are based on sound scientific knowledge, methods, and
78.18 practices. The external peer review must be conducted according to the guidance in the
78.19 most recent edition of the United States Environmental Protection Agency's Peer Review
78.20 Handbook. Peer reviewers must not have participated in developing the scientific basis of
78.21 the standard.

78.22 (e) The type of review and the number of peer reviewers depends on the nature of the
78.23 science underlying the standard. When the agency is developing significant new science or
78.24 science that expands significantly beyond current documented scientific practices or
78.25 principles, a panel review must be used.

78.26 (f) In response to the findings of the external peer review, the draft technical support
78.27 document must be revised as appropriate. The findings of the external peer review must be
78.28 documented and attached to the final technical support document, which must be an exhibit
78.29 as part of the statement of need and reasonableness in the rulemaking to adopt the new or
78.30 revised numeric water quality standard. The final technical support document must note
78.31 changes made in response to the external peer review.

78.32 ~~(b)~~ (g) By December 15 each year, the commissioner shall post on the agency's Web
78.33 site a report identifying the water quality standards development work in progress or

79.1 completed in the past year, the lead agency scientist for each development effort, and
79.2 opportunities for public input.

79.3 **Sec. 59. [115.455] EFFLUENT LIMITATIONS; COMPLIANCE.**

79.4 To the extent allowable under federal law, for a municipality that constructs a publicly
79.5 owned treatment works facility or for an industrial national pollutant discharge elimination
79.6 system and state disposal system permit holder that constructs a treatment works facility to
79.7 comply with a new or modified effluent limitation, compliance with any new or modified
79.8 effluent limitation adopted after construction begins that would require additional capital
79.9 investment is required no sooner than 16 years after the date the facility begins operating.

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

79.11 Sec. 60. Minnesota Statutes 2016, section 115.77, subdivision 1, is amended to read:

79.12 Subdivision 1. **Fees.** The agency shall collect fees in amounts necessary, but no greater
79.13 than the amounts necessary, to cover the reasonable costs of reviewing applications and
79.14 issuing certifications. The fees under this subdivision are subject to legislative approval
79.15 under section 16A.1283.

79.16 Sec. 61. Minnesota Statutes 2016, section 115.84, subdivision 2, is amended to read:

79.17 Subd. 2. **Rules.** The agency may adopt rules to govern certification of laboratories
79.18 according to this section. ~~Notwithstanding section 16A.1283, the agency may adopt rules~~
79.19 ~~establishing fees.~~

79.20 Sec. 62. Minnesota Statutes 2016, section 115.84, subdivision 3, is amended to read:

79.21 Subd. 3. **Fees.** (a) Until the agency adopts a rule establishing fees for certification, the
79.22 agency shall collect fees from laboratories registering with the agency, but not accredited
79.23 by the commissioner of health under sections 144.97 to 144.99, in amounts necessary to
79.24 cover the reasonable costs of the certification program, including reviewing applications,
79.25 issuing certifications, and conducting audits and compliance assistance. The fees under this
79.26 paragraph are subject to legislative approval under section 16A.1283.

79.27 (b) Fees under this section must be based on the number, type, and complexity of
79.28 analytical methods that laboratories are certified to perform.

79.29 (c) Revenue from fees charged by the agency for certification shall be credited to the
79.30 environmental fund.

80.1 Sec. 63. Minnesota Statutes 2016, section 115A.51, is amended to read:

80.2 **115A.51 APPLICATION REQUIREMENTS.**

80.3 (a) Applications for assistance under the program shall ~~shall~~ must demonstrate:

80.4 ~~(a)~~ (1) that the project is conceptually and technically feasible;

80.5 ~~(b)~~ (2) that affected political subdivisions are committed to implement the project, to
80.6 provide necessary local financing, and to accept and exercise the government powers
80.7 necessary to the project;

80.8 ~~(c)~~ (3) that operating revenues from the project, considering the availability and security
80.9 of sources of solid waste and of markets for recovered resources, together with any proposed
80.10 federal, state, or local financial assistance, will be sufficient to pay all costs over the projected
80.11 life of the project;

80.12 ~~(d)~~ (4) that the applicant has evaluated the feasible and prudent alternatives to disposal,
80.13 including the use of existing solid waste management facilities with reasonably available
80.14 capacity sufficient to accomplish the goals of the proposed project and has compared and
80.15 evaluated the costs of the alternatives, including capital and operating costs, and the effects
80.16 of the alternatives on the cost to generators;

80.17 (5) that the applicant has identified waste management objectives in applicable county
80.18 and regional solid waste management plans consistent with sections 115A.46, subdivision
80.19 2, paragraphs (e) and (f), and 473.149, subdivision 1, and other solid waste facilities identified
80.20 in the county and regional plans; and

80.21 (6) that the applicant has conducted a comparative analysis of the project against existing
80.22 public and private solid waste facilities, including an analysis of potential displacement of
80.23 facilities to determine whether the project is the most appropriate alternative to achieve the
80.24 identified waste management objectives that considers:

80.25 (i) conformity with approved county or regional solid waste management plans;

80.26 (ii) consistency with the state's solid waste hierarchy and sections 115A.46, subdivision
80.27 2, paragraphs (e) and (f), and 473.149, subdivisions 1; and

80.28 (iii) environmental standards related to public health, air, surface water, and groundwater.

80.29 (b) The commissioner may require completion of a comprehensive solid waste
80.30 management plan conforming to the requirements of section 115A.46, before accepting an
80.31 application. Within five days of filing an application with the agency, the applicant must

81.1 submit a copy of the application to each solid waste management facility mentioned in the
 81.2 portion of the application addressing the requirements of paragraph (a), clauses (5) and (6).

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

81.4 Sec. 64. Minnesota Statutes 2016, section 115A.94, subdivision 2, is amended to read:

81.5 Subd. 2. **Local authority.** A city or town may organize collection, after public notification
 81.6 and hearing as required in subdivisions 4a to ~~4d~~ 4f. A county may organize collection as
 81.7 provided in subdivision 5. A city or town that has organized collection as of May 1, 2013,
 81.8 is exempt from subdivisions 4a to ~~4d~~ 4f.

81.9 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 81.10 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 81.11 that date.

81.12 Sec. 65. Minnesota Statutes 2016, section 115A.94, subdivision 4a, is amended to read:

81.13 Subd. 4a. **Committee establishment.** (a) Before implementing an ordinance, franchise,
 81.14 license, contract, or other means of organizing collection, a city or town, by resolution of
 81.15 the governing body, must establish ~~an organized~~ a solid waste collection options committee
 81.16 to identify, examine, and evaluate various methods of ~~organized~~ solid waste collection. The
 81.17 governing body shall appoint the committee members.

81.18 (b) The ~~organized~~ solid waste collection options committee is subject to chapter 13D.

81.19 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 81.20 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 81.21 that date.

81.22 Sec. 66. Minnesota Statutes 2016, section 115A.94, subdivision 4b, is amended to read:

81.23 Subd. 4b. **Committee duties.** The committee established under subdivision 4a shall:

81.24 (1) determine which methods of ~~organized~~ solid waste collection to examine, which
 81.25 must include:

81.26 (i) the existing system of collection;

81.27 ~~(ii)~~ (ii) a system in which a single collector collects solid waste from all sections of a
 81.28 city or town; and

81.29 ~~(iii)~~ (iii) a system in which multiple collectors, either singly or as members of an
 81.30 organization of collectors, collect solid waste from different sections of a city or town;

82.1 (2) establish a list of criteria on which the ~~organized~~ solid waste collection methods
 82.2 selected for examination will be evaluated, which may include: costs to residential
 82.3 subscribers, impacts on residential subscribers' ability to choose a provider of solid waste
 82.4 service based on the desired level of service, costs and other factors, the impact of miles
 82.5 driven by ~~collection vehicles~~ on city streets and alleys and the incremental impact of miles
 82.6 driven by collection vehicles, initial and operating costs to the city of implementing the
 82.7 ~~organized~~ solid waste collection system, providing incentives for waste reduction, impacts
 82.8 on solid waste collectors, and other physical, economic, fiscal, social, environmental, and
 82.9 aesthetic impacts;

82.10 (3) collect information regarding the operation and efficacy of existing methods of
 82.11 ~~organized~~ solid waste collection in other cities and towns;

82.12 (4) seek input from, at a minimum:

82.13 (i) the governing body of the city or town;

82.14 (ii) the local official of the city or town responsible for solid waste issues;

82.15 (iii) persons currently licensed to operate solid waste collection and recycling services
 82.16 in the city or town; and

82.17 (iv) residents of the city or town who currently pay for residential solid waste collection
 82.18 services; and

82.19 (5) issue a report on the committee's research, findings, and any recommendations to
 82.20 the governing body of the city or town.

82.21 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
 82.22 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
 82.23 that date.

82.24 Sec. 67. Minnesota Statutes 2016, section 115A.94, subdivision 4c, is amended to read:

82.25 Subd. 4c. **Governing body; implementation.** The governing body of the city or town
 82.26 shall consider the report and recommendations of the ~~organized~~ solid waste collection
 82.27 options committee. The governing body must provide public notice and hold at least one
 82.28 public hearing before deciding whether to implement organized collection. Organized
 82.29 collection may begin no sooner than six months after the effective date of the decision of
 82.30 the governing body of the city or town to implement organized collection.

83.1 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
83.2 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
83.3 that date.

83.4 Sec. 68. Minnesota Statutes 2016, section 115A.94, subdivision 4d, is amended to read:

83.5 Subd. 4d. **Participating collectors proposal requirement.** ~~Prior to~~ Before establishing
83.6 a committee under subdivision 4a to consider organizing residential solid waste collection,
83.7 a city or town with more than one licensed collector must notify the public and all licensed
83.8 collectors in the community. The city or town must provide a ~~60-day~~ period of at least 60
83.9 days in which meetings and negotiations shall occur exclusively between licensed collectors
83.10 and the city or town to develop a proposal in which interested licensed collectors, as members
83.11 of an organization of collectors, collect solid waste from designated sections of the city or
83.12 town. The proposal shall include identified city or town priorities, including issues related
83.13 to zone creation, traffic, safety, environmental performance, service provided, and price,
83.14 and shall reflect existing haulers maintaining their respective market share of business as
83.15 determined by each hauler's average customer count during the six months prior to the
83.16 commencement of the ~~60-day~~ exclusive negotiation period. If an existing hauler opts to be
83.17 excluded from the proposal, the city may allocate their customers proportionally based on
83.18 market share to the participating collectors who choose to negotiate. The initial organized
83.19 collection agreement executed under this subdivision must be for a ~~period of three to seven~~
83.20 years. Upon execution of an agreement between the participating licensed collectors and
83.21 city or town, the city or town shall establish organized collection through appropriate local
83.22 controls and is not required to fulfill the requirements of subdivisions 4a, 4b, and 4c, except
83.23 that the governing body must provide the public notification and hearing required under
83.24 subdivision 4c.

83.25 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
83.26 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
83.27 that date.

83.28 Sec. 69. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision
83.29 to read:

83.30 Subd. 4e. **Parties to meet and confer.** Before the exclusive meetings and negotiations
83.31 under subdivision 4d, participating licensed collectors and elected officials of the city or
83.32 town must meet and confer regarding waste collection issues, including but not limited to

84.1 road deterioration, public safety, pricing mechanisms, and contractual considerations unique
84.2 to organized collection.

84.3 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
84.4 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
84.5 that date.

84.6 Sec. 70. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision
84.7 to read:

84.8 Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection
84.9 agreement must not obligate a participating licensed collector for damages to third parties
84.10 solely caused by another participating licensed collector. The organized collection agreement
84.11 may include joint obligations for actions that are undertaken by all the participating licensed
84.12 collectors under this section.

84.13 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
84.14 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
84.15 that date.

84.16 Sec. 71. Minnesota Statutes 2016, section 115A.94, subdivision 5, is amended to read:

84.17 Subd. 5. **County organized collection.** (a) A county may by ordinance require cities
84.18 and towns within the county to organize collection. Organized collection ordinances of
84.19 counties may:

84.20 (1) require cities and towns to require the separation and separate collection of recyclable
84.21 materials;

84.22 (2) specify the material to be separated; and

84.23 (3) require cities and towns to meet any performance standards for source separation
84.24 that are contained in the county solid waste plan.

84.25 (b) A county may itself organize collection under subdivisions 4a to ~~4d~~ 4f in any city
84.26 or town that does not comply with a county organized collection ordinance adopted under
84.27 this subdivision, and the county may implement, as part of its organized collection, the
84.28 source separation program and performance standards required by its organized collection
84.29 ordinance.

85.1 **EFFECTIVE DATE.** This section is effective January 1, 2019, and applies to organized
85.2 collection noticed under Minnesota Statutes, section 115A.94, subdivision 2, on or after
85.3 that date.

85.4 Sec. 72. **[115B.171] TESTING FOR PRIVATE WELLS; EAST METROPOLITAN**
85.5 **AREA.**

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

85.8 (b) "East metropolitan area" means:

85.9 (1) the cities of Afton, Cottage Grove, Lake Elmo, Newport, Oakdale, St. Paul Park,
85.10 and Woodbury;

85.11 (2) the townships of Denmark, Grey Cloud Island, and Lakeland; and

85.12 (3) other areas added by the commissioner that have a potential for significant
85.13 groundwater pollution from PFCs.

85.14 (c) "PFCs" means per- and poly-fluorinated chemicals.

85.15 Subd. 2. **Testing required for private wells.** At the request of the owner or occupier
85.16 of land in the east metropolitan area containing a private well for water, the commissioner
85.17 must use money in the remediation fund under section 116.155 to provide timely testing
85.18 for PFCs for the well if the commissioner has not previously tested the well for PFCs. If
85.19 the test of the private well measures a contamination at or above 50 percent of a health-based
85.20 advisory value or health risk limit for PFCs, the commissioner must provide for additional
85.21 well tests based on a schedule to ensure that the groundwater is safe for consumption.

85.22 Subd. 3. **Test reporting.** (a) By January 15 each year, the commissioner must report to
85.23 each community in the east metropolitan area a summary of the results of the testing for
85.24 private wells in the community. The report must include information on the number of wells
85.25 tested and trends of PFC contamination in private wells in the community. Reports to
85.26 communities under this section must also be published on the agency's Web site.

85.27 (b) By January 15 each year, the commissioner must report to the legislature, as provided
85.28 in section 3.195, on the testing for private wells conducted in the east metropolitan area,
85.29 including copies of the community reports required in paragraph (a), the number of requests
85.30 for well testing in each community, and the total amount spent for testing private wells in
85.31 each community.

86.1 Sec. 73. **[115B.172] NATURAL RESOURCES DAMAGES ACCOUNT.**

86.2 Subdivision 1. Establishment. The natural resources damages account is established as
86.3 an account in the remediation fund.

86.4 Subd. 2. Revenues. The account consists of money from the following sources:

86.5 (1) revenues from actions taken by the attorney general on behalf of the commissioner
86.6 of the Pollution Control Agency and commissioner of natural resources under section
86.7 115B.17, subdivisions 6 and 7, unless otherwise specified by the attorney general or
86.8 settlement agreement;

86.9 (2) appropriations and transfers to the account as provided by law;

86.10 (3) interest earned on the account; and

86.11 (4) money received by the commissioner of the Pollution Control Agency or the
86.12 commissioner of natural resources for deposit in the account in the form of a gift or a grant.

86.13 Subd. 3. Expenditures. (a) Money in the account is appropriated to the commissioner
86.14 of natural resources for the purposes authorized in section 115B.20, subdivision 2, clause
86.15 (4).

86.16 (b) The commissioner of management and budget must allocate the amounts available
86.17 in any biennium to the commissioner of natural resources for the purposes of this section
86.18 based upon work plans submitted by the commissioner of natural resources and may adjust
86.19 those allocations upon submittal of revised work plans. Copies of the work plans must be
86.20 submitted to the chairs of the house of representatives and senate committees and divisions
86.21 having jurisdiction over environment and natural resources finance.

86.22 Subd. 4. Report. By November 1 each year, the commissioner of natural resources must
86.23 submit a report to the chairs and ranking minority members of the house of representatives
86.24 and senate committees and divisions with jurisdiction over environment and natural resources
86.25 policy and finance on expenditures from the natural resources damages account during the
86.26 previous fiscal year.

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

86.28 Sec. 74. **[115B.52] WATER QUALITY AND SUSTAINABILITY ACCOUNT.**

86.29 Subdivision 1. Definition. For purposes of this section and section 115B.53, the term
86.30 "settlement" means the agreement and order entered on February 20, 2018, settling litigation
86.31 commenced by the state against the 3M Company under section 115B.17, subdivision 7.

87.1 Subd. 2. **Establishment.** The water quality and sustainability account is established as
87.2 an account in the remediation fund. The account consists of revenue deposited in the account
87.3 under the terms of the settlement and earnings on the investment of money in the account.
87.4 Money in the account may be invested through the State Board of Investment to ensure
87.5 sufficient clean drinking water supplies are available to residents and businesses in the east
87.6 metropolitan area to meet their current and future water needs.

87.7 Subd. 3. **Priorities.** The commissioners of the Pollution Control Agency and natural
87.8 resources must give priority to projects that:

87.9 (1) ensure clean drinking water in sufficient supply to residents and businesses in the
87.10 east metropolitan area to meet their current and future water needs, with priority given to
87.11 projects that address drinking water supplies where health-based values or health risk limits
87.12 for perfluorinated and polyfluorinated chemicals have been exceeded; and

87.13 (2) provide water treatment and groundwater recharge to enhance existing municipal
87.14 water supplies and provide connections to municipal drinking water supplies.

87.15 Subd. 4. **Expenditures.** (a) Money in the account is appropriated to the commissioner
87.16 of the Pollution Control Agency and to the commissioner of natural resources for the purposes
87.17 authorized under the settlement.

87.18 (b) The commissioners must ensure that money in the account is spent:

87.19 (1) to enhance the quality, quantity, and sustainability of the drinking water in the east
87.20 metropolitan area, which includes but is not limited to, the cities of Woodbury, Oakdale,
87.21 Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships of West
87.22 Lakeland and Grey Cloud Island;

87.23 (2) only on projects that are technically feasible; and

87.24 (3) in a manner that ensures the priorities identified under subdivision 3 are met and that
87.25 money in the account is sufficient for the long-term operation and maintenance of projects
87.26 meeting the priority established under subdivision 3, clause (1), including ensuring there
87.27 are adequate reserves.

87.28 Subd. 5. **Limitations.** No more than eight percent of the money in the account may be
87.29 spent on state and local administrative expenses and no more than ten percent may be spent
87.30 on studies.

87.31 Subd. 6. **Reporting.** The commissioner of the Pollution Control Agency and the
87.32 commissioner of natural resources must jointly submit:

88.1 (1) by March 1 and November 1 each year, a biannual report to the chairs and ranking
88.2 minority members of the legislative policy and finance committees with jurisdiction over
88.3 environment and natural resources on expenditures from the water quality and sustainability
88.4 account during the previous six months; and

88.5 (2) by November 1 each year, a report to the legislature on expenditures from the water
88.6 quality and sustainability account during the previous fiscal year and a spending plan for
88.7 anticipated expenditures from the account during the current fiscal year.

88.8 Subd. 7. **State authority.** Nothing in this section grants authority to the commissioner
88.9 of the Pollution Control Agency or commissioner of natural resources to assume control or
88.10 otherwise operate existing municipal water supply operations in the east metropolitan area.

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

88.12 Sec. 75. **[115B.53] WATER QUALITY AND SUSTAINABILITY STAKEHOLDERS.**

88.13 The commissioner of the Pollution Control Agency and the commissioner of natural
88.14 resources must work with stakeholders to identify and recommend projects to receive funding
88.15 from the water quality and sustainability account under the settlement. Stakeholders include,
88.16 at a minimum, representatives of the agency, the Department of Natural Resources, east
88.17 metropolitan area municipalities, and the 3M Company. The commissioners must establish
88.18 a process to solicit and evaluate the recommendations from each of the cities of Woodbury,
88.19 Oakdale, Lake Elmo, Cottage Grove, St. Paul Park, Afton, and Newport and the townships
88.20 of West Lakeland and Grey Cloud Island.

88.21 Sec. 76. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to
88.22 read:

88.23 Subd. 2c. **Exemption from standards for temporary storage facilities subject to**
88.24 **control.** (a) A temporary storage facility located at a commodity facility that is required to
88.25 be controlled under Minnesota Rules, part 7011.1005, subpart 3, is not subject to Minnesota
88.26 Rules, parts 7011.1000 to 7011.1015. For all portable equipment and fugitive dust emissions
88.27 directly associated with the temporary storage facility, it is determined that there is no
88.28 applicable specific standard of performance.

88.29 (b) For the purposes of this subdivision, the following terms have the meanings given
88.30 them:

88.31 (1) "temporary storage facility" means a facility storing grain that:

88.32 (i) uses an asphalt, concrete, or comparable base material;

89.1 (ii) has rigid, self-supporting sidewalls;

89.2 (iii) provides adequate aeration; and

89.3 (iv) provides an acceptable covering; and

89.4 (2) "portable equipment" means equipment that is not fixed at any one spot and can be
89.5 moved, including but not limited to portable receiving pits, portable augers and conveyors,
89.6 and portable reclaim equipment directly associated with the temporary storage facility.

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

89.8 Sec. 77. Minnesota Statutes 2017 Supplement, section 116.07, subdivision 4d, is amended
89.9 to read:

89.10 Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater
89.11 than those necessary to cover the reasonable costs of developing, reviewing, and acting
89.12 upon applications for agency permits and implementing and enforcing the conditions of the
89.13 permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The
89.14 fee schedule must reflect reasonable and routine direct and indirect costs associated with
89.15 permitting, implementation, and enforcement. The agency may impose an additional
89.16 enforcement fee to be collected for a period of up to two years to cover the reasonable costs
89.17 of implementing and enforcing the conditions of a permit under the rules of the agency.
89.18 Water fees under this paragraph are subject to legislative approval under section 16A.1283.
89.19 Any money collected under this paragraph shall be deposited in the environmental fund.

89.20 (b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner
89.21 or operator of all stationary sources, emission facilities, emissions units, air contaminant
89.22 treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage
89.23 facilities subject to a notification, permit, or license requirement under this chapter,
89.24 subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401
89.25 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and
89.26 indirect reasonable costs, including legal costs, required to develop and administer the
89.27 notification, permit, or license program requirements of this chapter, subchapters I and V
89.28 of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules
89.29 adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon
89.30 an application for a permit; implementing and enforcing statutes, rules, and the terms and
89.31 conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally
89.32 applicable regulations; responding to federal guidance; modeling, analyses, and

90.1 demonstrations; preparing inventories and tracking emissions; and providing information
90.2 to the public about these activities.

90.3 (c) The agency shall set fees that:

90.4 (1) will result in the collection, in the aggregate, from the sources listed in paragraph
90.5 (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant
90.6 regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of
90.7 the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national
90.8 primary ambient air quality standard has been promulgated;

90.9 (2) may result in the collection, in the aggregate, from the sources listed in paragraph
90.10 (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is
90.11 regulated under this chapter or air quality rules adopted under this chapter; and

90.12 (3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount
90.13 needed to match grant funds received by the state under United States Code, title 42, section
90.14 7405 (section 105 of the federal Clean Air Act).

90.15 The agency must not include in the calculation of the aggregate amount to be collected
90.16 under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant
90.17 from a source. The increase in air permit fees to match federal grant funds shall be a surcharge
90.18 on existing fees. The commissioner may not collect the surcharge after the grant funds
90.19 become unavailable. In addition, the commissioner shall use nonfee funds to the extent
90.20 practical to match the grant funds so that the fee surcharge is minimized.

90.21 (d) To cover the reasonable costs described in paragraph (b), the agency shall provide
90.22 in the rules promulgated under paragraph (c) for an increase in the fee collected in each
90.23 year by the percentage, if any, by which the Consumer Price Index for the most recent
90.24 calendar year ending before the beginning of the year the fee is collected exceeds the
90.25 Consumer Price Index for the calendar year 1989. For purposes of this paragraph the
90.26 Consumer Price Index for any calendar year is the average of the Consumer Price Index for
90.27 all-urban consumers published by the United States Department of Labor, as of the close
90.28 of the 12-month period ending on August 31 of each calendar year. The revision of the
90.29 Consumer Price Index that is most consistent with the Consumer Price Index for calendar
90.30 year 1989 shall be used.

90.31 (e) Any money collected under paragraphs (b) to (d) must be deposited in the
90.32 environmental fund and must be used solely for the activities listed in paragraph (b).

91.1 (f) Permit applicants who wish to construct, reconstruct, or modify a project may offer
91.2 to reimburse the agency for the costs of staff time or consultant services needed to expedite
91.3 the preapplication process and permit development process through the final decision on
91.4 the permit, including the analysis of environmental review documents. The reimbursement
91.5 shall be in addition to permit application fees imposed by law. When the agency determines
91.6 that it needs additional resources to develop the permit application in an expedited manner,
91.7 and that expediting the development is consistent with permitting program priorities, the
91.8 agency may accept the reimbursement. The commissioner must give the applicant an estimate
91.9 of costs to be incurred by the commissioner. The estimate must include a brief description
91.10 of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for
91.11 each task. The applicant and the commissioner must enter into a written agreement detailing
91.12 the estimated costs for the expedited permit decision-making process to be incurred by the
91.13 agency. The agreement must also identify staff anticipated to be assigned to the project.
91.14 The commissioner must not issue a permit until the applicant has paid all fees in full. The
91.15 commissioner must refund any unobligated balance of fees paid. Reimbursements accepted
91.16 by the agency are appropriated to the agency for the purpose of developing the permit or
91.17 analyzing environmental review documents. Reimbursement by a permit applicant shall
91.18 precede and not be contingent upon issuance of a permit; shall not affect the agency's decision
91.19 on whether to issue or deny a permit, what conditions are included in a permit, or the
91.20 application of state and federal statutes and rules governing permit determinations; and shall
91.21 not affect final decisions regarding environmental review.

91.22 (g) The fees under this subdivision are exempt from section 16A.1285.

91.23 Sec. 78. Minnesota Statutes 2017 Supplement, section 116.0714, is amended to read:

91.24 **116.0714 NEW OPEN-AIR SWINE BASINS.**

91.25 (a) The commissioner of the Pollution Control Agency or a county board shall not
91.26 approve any permits for the construction of new open-air swine basins, except that existing
91.27 facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste
91.28 treatment program for resolving pollution problems or to allow conversion of an existing
91.29 basin of less than 1,000,000 gallons to a different animal type, provided all standards are
91.30 met. This section expires June 30, 2022.

91.31 (b) This section does not apply to a storage basin for effluent basins used solely for
91.32 wastewater from a truck-washing facility.

92.1 Sec. 79. Minnesota Statutes 2016, section 116.155, subdivision 1, is amended to read:

92.2 Subdivision 1. **Creation.** The remediation fund is created as a special revenue fund in
92.3 the state treasury to provide a reliable source of public money for response and corrective
92.4 actions to address releases of hazardous substances, pollutants or contaminants, agricultural
92.5 chemicals, and petroleum, and for environmental response actions at qualified landfill
92.6 facilities for which the agency has assumed such responsibility, including perpetual care of
92.7 such facilities. The specific purposes for which the general portion of the fund may be spent
92.8 are provided in subdivision 2. In addition to the general portion of the fund, the fund contains
92.9 ~~two~~ four accounts described in subdivisions 4 ~~and 5~~ to 5b.

92.10 Sec. 80. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision
92.11 to read:

92.12 Subd. 5a. **Water quality and sustainability account.** The water quality and sustainability
92.13 account is as described in section 115B.52.

92.14 Sec. 81. Minnesota Statutes 2016, section 116.155, is amended by adding a subdivision
92.15 to read:

92.16 Subd. 5b. **Natural resources damages account.** The natural resources damages account
92.17 is as described in section 115B.172.

92.18 Sec. 82. **[116.2025] DEICER APPLICATORS; VOLUNTARY CERTIFICATION**
92.19 **PROGRAM.**

92.20 Subdivision 1. **Definitions.** For the purpose of this section, the following terms have
92.21 the meanings given:

92.22 (1) "certified commercial applicator" means an individual who applies deicer and has
92.23 completed training approved by the commissioner on removing snow and ice and applying
92.24 deicer and passed an examination after completing the training;

92.25 (2) "commercial applicator" means an individual or a company and its employees that
92.26 apply deicer for hire, but does not include a municipal, state, or other government employee;

92.27 (3) "deicer" means any substance used to melt snow and ice, or used for its anti-icing
92.28 effects, on privately owned surfaces traveled by pedestrians and vehicles; and

92.29 (4) "owner" means a person that owns, leases, or manages real estate and the person's
92.30 employees that contract in writing with a certified commercial applicator.

93.1 Subd. 2. **Voluntary certification program; best management practices.** (a) The
93.2 commissioner of the Pollution Control Agency must develop a training program that promotes
93.3 best management practices for removing snow and ice and applying deicer and must allow
93.4 individuals who are commercial applicators to obtain certification as a water-friendly
93.5 applicator. The commissioner must certify an individual who is a commercial applicator as
93.6 a water-friendly applicator if the individual successfully completes the program and passes
93.7 the examination.

93.8 (b) The commissioner must provide additional training under this subdivision for certified
93.9 commercial applicators renewing certification after their initial training and certification.

93.10 (c) The commissioner must provide the training and testing module at locations statewide
93.11 and may make the recertification training available online.

93.12 (d) The commissioner must annually post the best management practices and a list of
93.13 certified commercial applicators on the agency's Web site.

93.14 (e) The commissioner may charge a fee of no more than \$250 per certified commercial
93.15 applicator for the training or recertification under this subdivision. Fees collected under this
93.16 subdivision must be deposited in the environmental fund.

93.17 Subd. 3. **Liability.** (a) A commercial applicator certified under this section; the owner,
93.18 occupant, or lessee of real property maintained by a certified commercial applicator; or an
93.19 employee of that owner, occupant, or lessee who is certified under this section is not civilly
93.20 liable for any claim based on a snow or ice condition arising out of the implementation of
93.21 the best management practices developed by the commissioner under this section even if
93.22 there is actual notice of the snow or ice condition, except when the snow or ice condition
93.23 is affirmatively caused by the willful or reckless acts of the certified commercial applicator
93.24 or the employee of the owner, occupant, or lessee who is certified under this section.

93.25 Commercial applicators certified under this section; the owner, occupants, or lessees of land
93.26 maintained by a certified commercial applicator; and an employee of that owner, occupant,
93.27 or lessee who is certified under this section are presumed to be acting pursuant to the best
93.28 management practices developed by the commissioner under this section.

93.29 (b) To receive the immunity protection under paragraph (a), and not for any other purpose,
93.30 the commercial applicator, or the employee of the owner, occupant, or lessee, must have a
93.31 current certification, pass an exam, complete the winter maintenance assessment tool
93.32 requirements developed by the commissioner, and keep a written record describing the road,
93.33 parking lot, and property maintenance practices used. The written record must include the
93.34 type and rate of application of deicing materials used, the dates of treatment, and the weather

94.1 conditions for each event requiring deicing. The records must be kept for a minimum of six
94.2 years.

94.3 (c) The liability of a commercial applicator who applies deicer but is not certified under
94.4 this section may not be determined under the standards provided in this subdivision.

94.5 Subd. 4. **Record keeping.** (a) A certified commercial applicator or a company employing
94.6 one or more certified commercial applicators must maintain the following records as part
94.7 of the best management practices approved by the commissioner:

94.8 (1) a copy of the applicator's certification approved by the commissioner and any
94.9 recertification;

94.10 (2) evidence of passing the examination approved by the commissioner;

94.11 (3) copies of the assessment tool requirements for winter maintenance developed by the
94.12 commissioner; and

94.13 (4) a written record describing the practices used for road, parking lot, and property
94.14 maintenance.

94.15 (b) The written record under paragraph (a), clause (4), must include the type and rate of
94.16 application of deicing materials used, the dates of treatment, and the weather conditions for
94.17 each event requiring deicing.

94.18 (c) Records required under this subdivision must be kept for at least six years.

94.19 Subd. 5. **Penalty.** The commissioner may revoke or decline to renew the certification
94.20 of a certified commercial applicator that violates this section or rules adopted under this
94.21 section.

94.22 Subd. 6. **Relation to other law.** Nothing in this section affects municipal liability under
94.23 section 466.03.

94.24 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to claims
94.25 arising on or after that date.

94.26 Sec. 83. Minnesota Statutes 2016, section 116.993, subdivision 2, is amended to read:

94.27 Subd. 2. **Eligible borrower.** To be eligible for a loan under this section, a borrower
94.28 must:

94.29 (1) be a small business corporation, sole proprietorship, partnership, or association;

94.30 (2) be a potential emitter of pollutants to the air, ground, or water;

95.1 (3) need capital for equipment purchases that will meet or exceed environmental
 95.2 regulations or need capital for site investigation and cleanup;

95.3 (4) have ~~less~~ fewer than ~~50~~ 100 full-time equivalent employees; and

95.4 (5) have an ~~after-tax~~ after-tax profit of less than \$500,000; and.

95.5 ~~(6) have a net worth of less than \$1,000,000.~~

95.6 Sec. 84. Minnesota Statutes 2016, section 116.993, subdivision 6, is amended to read:

95.7 Subd. 6. **Loan conditions.** A loan made under this section must include:

95.8 (1) an interest rate that is ~~four percent or~~ at or below one-half the prime rate, ~~whichever~~
 95.9 ~~is greater~~ not to exceed five percent;

95.10 (2) a term of payment of not more than seven years; and

95.11 (3) an amount not less than \$1,000 or exceeding ~~\$50,000~~ \$75,000.

95.12 Sec. 85. Minnesota Statutes 2017 Supplement, section 169A.07, is amended to read:

95.13 **169A.07 FIRST-TIME DWI VIOLATOR; OFF-ROAD VEHICLE OR BOAT.**

95.14 A person who violates section 169A.20 (driving while impaired) while using an off-road
 95.15 recreational vehicle or motorboat and who does not have a qualified prior impaired driving
 95.16 incident is subject only to the criminal penalty provided in section 169A.25 (second-degree
 95.17 driving while impaired), 169A.26 (third-degree driving while impaired), or 169A.27
 95.18 (fourth-degree driving while impaired); and loss of operating privileges as provided in
 95.19 section 84.91, subdivision 1 (operation of snowmobiles or all-terrain vehicles by persons
 95.20 under the influence of alcohol or controlled substances), or 86B.331, subdivision 1 (operation
 95.21 of motorboats while using alcohol or with a physical or mental disability), whichever is
 95.22 applicable. The person is not subject to the provisions of section 169A.275, subdivision 5
 95.23 (submission to the level of care recommended in chemical use assessment for repeat offenders
 95.24 and offenders with alcohol concentration of 0.16 or more); 169A.277 (long-term monitoring);
 95.25 169A.285 (penalty assessment); 169A.44 (conditional release); ~~169A.54 (impaired driving~~
 95.26 ~~convictions and adjudications; administrative penalties); or 169A.54, subdivision 11~~
 95.27 ~~(chemical use assessment); the license revocation sanctions of sections 169A.50 to 169A.53~~
 95.28 ~~(implied consent law) or 171.177 (revocation; search warrant); or the plate impoundment~~
 95.29 provisions of section 169A.60 (administrative impoundment of plates).

95.30 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to violations
 95.31 committed on or after that date.

96.1 Sec. 86. Minnesota Statutes 2016, section 180.03, subdivision 2, is amended to read:

96.2 Subd. 2. **Fences.** Every person, firm, or corporation that is or has been engaged in the
96.3 business of mining or removing iron ore, taconite, semitaconite or other minerals except
96.4 sand, crushed rock, and gravel shall erect and maintain, as a minimum, a three strand wire
96.5 fence along the outside perimeter of the excavation, open pit, or shaft of any mine in which
96.6 mining operations have ceased for a period of six consecutive months or longer. Based upon
96.7 local site conditions that may exist at shafts, caves, or open pits, the county mine inspector
96.8 may require more secure fencing such as barbed wire or mesh fence, or may require barriers,
96.9 appropriate signs, or any combination of the above, to reduce the possibility of accidental
96.10 falls. The county mine inspector may grant exemptions under subdivision 4. Where mining
96.11 operations have ceased and not resumed, the fence, barrier, signs, or combination of them
96.12 required by this section shall be erected within two years from the date when the county
96.13 mine inspector directs the erection of fences, barriers, signs, or combination of them.

96.14 Sec. 87. Minnesota Statutes 2016, section 180.03, subdivision 3, is amended to read:

96.15 Subd. 3. **Abandoned mines.** Except as described in subdivision 4, when a mine is idle
96.16 or abandoned it is the duty of the inspector of mines to notify the person, firm, or corporation
96.17 that is or has been engaged in the business of mining to erect and maintain around all the
96.18 shafts, caves, and open pits of such mines a fence, barrier, appropriate signs, or combination
96.19 of them, suitable to warn of the presence of shafts, caves, or open pits and reduce the
96.20 possibility of accidentally falling into these shafts, caves, or open pits. If the mine has been
96.21 idled or abandoned, or if the person, firm, or corporation that has been engaged in the
96.22 business of mining no longer exists, the fee owner shall erect and maintain the fence, barrier,
96.23 or signs required by this section. If the fee owner fails to act, the county in which the mining
96.24 operation is located may, in addition to any other remedies available, abate the nuisance by
96.25 erecting or maintaining the fence, barrier, or signs and assessing the costs and related
96.26 expenses pursuant to section 429.101.

96.27 Sec. 88. Minnesota Statutes 2016, section 180.03, subdivision 4, is amended to read:

96.28 Subd. 4. **Exemptions.** (a) The portion of an excavation, cave, open or water-filled pit,
96.29 or shaft is exempt from the requirements of this section if:

96.30 (1) it is located on property owned, leased, or administered by the Office of the
96.31 Commissioner of Iron Range Resources and Rehabilitation;

96.32 (2) it is for the construction, operation, maintenance, or administration of:

- 97.1 (i) grants-in-aid trails as defined in section 85.018;
- 97.2 (ii) property owned or leased by a municipality, as defined in section 466.01, subdivision
97.3 1, that is intended or permitted to be used as a park, an open area for recreational purposes,
97.4 or for the provision of recreational services, including the creation of trails or paths without
97.5 artificial surfaces; or
- 97.6 (iii) recreational use, as defined in section 604A.21, subdivisions 5 and 6, provided the
97.7 use is administered by a municipality, as defined in section 466.01, subdivision 1;
- 97.8 (3) it is for economic development purposes under chapter 469; or
- 97.9 (4) upon written application by the property owner, the county mine inspector may
97.10 exempt from the requirements of subdivision 2, any abandoned excavation, open pit, or
97.11 shaft which determines that it is provided with fencing, barriers, appropriate signs, or
97.12 combinations of them, in a manner that is reasonably similar to the standards in subdivision
97.13 2, or which if, in the inspector's judgment, it does not constitute a safety hazard.
- 97.14 (b) Where an exemption applies, there shall be, at a minimum, appropriate signs posted
97.15 by the recipient of the exemption consistent with section 97B.001, subdivision 4:
- 97.16 (1) at each location of public access to the mining area restricting access to designated
97.17 areas and warning of possible dangers due to the presence of excavations, shafts, caves, or
97.18 open or water-filled pits;
- 97.19 (2) prohibiting public access beyond the boundaries of the designated public access area;
97.20 and
- 97.21 (3) identifying those areas where the property on which public access is allowed abuts
97.22 private property.
- 97.23 (c) Where an exemption applies, to reduce the possibility of inadvertent access beyond
97.24 the boundaries of the designated public access area, any new fencing erected by the recipient
97.25 of the exemption in accordance with subdivision 2 or 3 shall be maintained by the recipient
97.26 of the exemption.
- 97.27 (d) Notwithstanding section 180.10, limited openings in preexisting fencing may be
97.28 created and maintained by the recipient of the exemption or its agent to provide public
97.29 access to the designated public access area.
- 97.30 (e) The county mine inspector has the authority to enter, examine, and inspect any and
97.31 all property exempted under this section at all reasonable times by day or by night, and, in

98.1 addition to enforcing the provisions of this chapter, may make recommendations regarding
98.2 the erection of fences, barriers, signs, or a combination of them.

98.3 Sec. 89. Minnesota Statutes 2016, section 180.10, is amended to read:

98.4 **180.10 REMOVAL OF FENCE; GUARD.**

98.5 A worker, employee, or other person who opens, removes, or disturbs any fence, guard,
98.6 barrier, sign, or rail required by section 180.03 and fails to close or replace or have the same
98.7 closed or replaced again around or in front of any mine shaft, pit, chute, excavation, cave,
98.8 or land liable to cave, injure, or destroy, whether by accident, injury, or damage results,
98.9 either to the mine or those at work therein, or to any other person, shall be guilty of a
98.10 misdemeanor. A worker, employee, or other person who, in regard to any fence, guard,
98.11 barrier, sign, or rail, does any of the acts prohibited by section 609.52, commits theft of the
98.12 fence, guard, barrier, sign, or rail may be sentenced as provided in section 609.52.

98.13 Sec. 90. **[383A.606] DISCONTINUANCE OF RAMSEY SOIL AND WATER**
98.14 **CONSERVATION DISTRICT; TRANSFER OF DUTIES.**

98.15 Subdivision 1. **Discontinuance.** Notwithstanding section 103C.225, the Ramsey Soil
98.16 and Water Conservation District is discontinued effective July 1, 2018, and its duties and
98.17 authorities are transferred to the Ramsey County Board of Commissioners.

98.18 Subd. 2. **Transfer of duties and authorities.** The Ramsey County Board of
98.19 Commissioners has the duties and authorities of a soil and water conservation district. All
98.20 contracts in effect on the date of the discontinuance of the district to which Ramsey Soil
98.21 and Water Conservation District is a party remain in force and effect for the period provided
98.22 in the contracts. The Ramsey County Board of Commissioners shall be substituted for the
98.23 Ramsey Soil and Water Conservation District as party to the contracts and succeed to the
98.24 district's rights and duties.

98.25 Subd. 3. **Transfer of assets.** The Ramsey Soil and Water Conservation District Board
98.26 of Supervisors shall transfer the assets of the district to the Ramsey County Board of
98.27 Commissioners. The Ramsey County Board of Commissioners shall use the transferred
98.28 assets for the purposes of implementing the transferred duties and authorities.

98.29 Subd. 4. **Reestablishment.** The Ramsey County Board of Commissioners may petition
98.30 the Minnesota Board of Water and Soil Resources to reestablish the Ramsey Soil and Water
98.31 Conservation District. Alternatively, the Minnesota Board of Water and Soil Resources
98.32 under its authority in section 103C.201, and after giving notice of corrective actions and

99.1 time to implement the corrective actions, may reestablish the Ramsey Soil and Water
 99.2 Conservation District if it determines the goals established in section 103C.005 are not
 99.3 being achieved. The Minnesota Board of Water and Soil Resources may reestablish the
 99.4 Ramsey Soil and Water Conservation District under this subdivision without a referendum.

99.5 **EFFECTIVE DATE.** This section is effective the day after the governing body of
 99.6 Ramsey County and its chief clerical officer timely complete their compliance with Minnesota
 99.7 Statutes, section 645.021, subdivisions 2 and 3.

99.8 Sec. 91. Minnesota Statutes 2016, section 444.075, subdivision 1a, is amended to read:

99.9 Subd. 1a. **Authorization.** Any municipality may build, construct, reconstruct, repair,
 99.10 enlarge, improve, or in any other manner obtain facilities, and maintain and operate the
 99.11 facilities inside or outside its corporate limits, and acquire by gift, purchase, lease,
 99.12 condemnation, or otherwise any and all land and easements required for that purpose. The
 99.13 authority hereby granted is in addition to all other powers with reference to the facilities
 99.14 otherwise granted by the laws of this state or by the charter of any municipality. The authority
 99.15 regarding storm sewers granted to municipalities which have territory within a watershed
 99.16 which has adopted a watershed plan pursuant to section 103B.231 shall be exercised, with
 99.17 respect to facilities acquired following the adoption of the watershed plan, only for facilities
 99.18 which are not inconsistent with the watershed plan. The authority regarding storm sewers
 99.19 granted to municipalities which have adopted local water management plans pursuant to
 99.20 section 103B.235 shall be exercised, with respect to facilities acquired following the adoption
 99.21 of a local plan, only for facilities which are not inconsistent with the local plan. Counties;
 99.22 ~~except counties in the seven-county metropolitan area,~~ shall have the same authority granted
 99.23 to municipalities by this subdivision except for areas of the county organized into cities and
 99.24 areas of the county incorporated within a sanitary district established by special act of the
 99.25 legislature.

99.26 Sec. 92. Minnesota Statutes 2016, section 473.8441, subdivision 4, is amended to read:

99.27 Subd. 4. **Grant conditions.** The commissioner shall administer grants so that the
 99.28 following conditions are met:

99.29 (a) A county must apply for a grant in the manner determined by the commissioner. The
 99.30 application must describe the activities for which the grant will be used.

99.31 (b) The activities funded must be consistent with the metropolitan policy plan and the
 99.32 county master plan.

100.1 (c) A grant must be matched by equal ~~county~~ local expenditures for the activities for
100.2 which the grant is made. A local expenditure may include, but is not limited to, an
100.3 expenditure by a local unit of government, tribal government, or private sector or nonprofit
100.4 organization.

100.5 (d) All grant funds must be used for new activities or to enhance or increase the
100.6 effectiveness of existing activities in the county. Grant funds must not be used for research
100.7 or development of a product that would be patented, copyrighted, or a subject of trade
100.8 secrets.

100.9 (e) Counties shall provide support to maintain effective municipal recycling where it is
100.10 already established.

100.11 Sec. 93. Laws 2015, First Special Session chapter 4, article 4, section 136, as amended
100.12 by Laws 2017, chapter 93, article 2, section 149, is amended to read:

100.13 Sec. 136. **WILD RICE WATER QUALITY STANDARDS.**

100.14 (a) Until the commissioner of the Pollution Control Agency amends rules refining the
100.15 wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2, to consider
100.16 all independent research and publicly funded research and to include criteria for identifying
100.17 waters and a list of waters subject to the standard, implementation of the wild rice water
100.18 quality standard in Minnesota Rules, part 7050.0224, subpart 2, shall be limited to the
100.19 following, unless the permittee requests additional conditions:

100.20 (1) when issuing, modifying, or renewing national pollutant discharge elimination system
100.21 (NPDES) or state disposal system (SDS) permits, the agency shall endeavor to protect wild
100.22 rice, and in doing so shall be limited by the following conditions:

100.23 (i) the agency shall not require permittees to expend money for design or implementation
100.24 of sulfate treatment technologies or other forms of sulfate mitigation; and

100.25 (ii) the agency may require sulfate minimization plans in permits; and

100.26 (2) the agency shall not list waters containing natural beds of wild rice as impaired for
100.27 sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33,
100.28 section 1313, until the rulemaking described in this paragraph takes effect.

100.29 (b) Upon the rule described in paragraph (a) taking effect, the agency may reopen permits
100.30 issued or reissued after the effective date of this section as needed to include numeric permit
100.31 limits based on the wild rice water quality standard.

101.1 ~~(e) The commissioner shall complete the rulemaking described in paragraph (a) by~~
101.2 ~~January 15, 2019.~~

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

101.4 Sec. 94. Laws 2016, chapter 189, article 3, section 48, is amended to read:

101.5 Sec. 48. **LAKE SERVICE PROVIDER FEASIBILITY REPORT.**

101.6 The commissioner of natural resources shall report to the chairs of the house of
101.7 representatives and senate committees with jurisdiction over natural resources by January
101.8 15, ~~2019~~ 2020, regarding the feasibility of expanding permitting to service providers as
101.9 described in Minnesota Statutes, section 84D.108, subdivision 2a, to other water bodies in
101.10 the state. The report must:

101.11 (1) include recommendations for state and local resources needed to implement the
101.12 program;

101.13 (2) assess local government inspection roles under Minnesota Statutes, section 84D.105,
101.14 subdivision 2, paragraph (g); and

101.15 (3) assess whether mechanisms to ensure that water-related equipment placed back into
101.16 the same body of water from which it was removed can adequately protect other water
101.17 bodies.

101.18 Sec. 95. Laws 2017, chapter 93, article 2, section 155, subdivision 5, is amended to read:

101.19 Subd. 5. **Sunset.** This section expires ~~two~~ six years from the day following final
101.20 enactment.

101.21 Sec. 96. Laws 2017, chapter 93, article 2, section 163, is amended to read:

101.22 Sec. 163. **ACTION TO OBTAIN ACCESS PROHIBITED; CLEARWATER**
101.23 **COUNTY.**

101.24 ~~Before July 1, 2018,~~ The commissioner of natural resources must not initiate a civil
101.25 action to obtain access to Island Lake FMHA Wildlife Management Area in Clearwater
101.26 County.

101.27 Sec. 97. **APPLICATION OF STORM WATER RULES TO TOWNSHIPS.**

101.28 Until the Pollution Control Agency amends rules for storm water, Minnesota Rules, part
101.29 7090.1010, subpart 1, item B, subitem (1), only applies to the portions of the city or township

102.1 that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26
102.2 (a)(9)(i)(A), and other platted areas within that jurisdiction.

102.3 **Sec. 98. RULEMAKING; DISPOSAL FACILITY CERTIFICATES.**

102.4 (a) The commissioner of the Pollution Control Agency must amend Minnesota Rules,
102.5 part 7048.1000, subpart 4, item D, to require six contact hours of required training to renew
102.6 a type IV disposal facility certificate.

102.7 (b) The commissioner may use the good cause exemption under Minnesota Statutes,
102.8 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota
102.9 Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes,
102.10 section 14.388.

102.11 **Sec. 99. RECREATIONAL TRAILS; ENVIRONMENTAL REVIEW;**
102.12 **RULEMAKING.**

102.13 (a) The Environmental Quality Board must amend Minnesota Rules, chapter 4410, to
102.14 be consistent with this section, including amending Minnesota Rules, part 4410.4300, subpart
102.15 37, as follows:

102.16 (1) item A must be amended to read: "Constructing a trail at least 25 miles long on
102.17 forested or other naturally vegetated land for a recreational use unless exempted by part
102.18 4410.4600, subpart 14, item D. In applying this item, if a proposed trail will contain segments
102.19 of newly constructed trail and segments that will follow an existing trail but be designated
102.20 for a new motorized use, an EAW must be prepared if the sum of the quotients obtained by
102.21 dividing the length of the new construction by 25 miles and length of the existing but newly
102.22 designated trail by 25 miles equals or exceeds one. Additions and designations under items
102.23 C and D do not apply to this formula.";

102.24 (2) item B must be amended to read: "Designating at least 25 miles of an existing trail
102.25 for a new motorized recreational use other than snowmobiling. In applying this item, if a
102.26 proposed trail will contain segments of newly constructed trail and segments that will follow
102.27 an existing trail but be designated for a new motorized use, an EAW must be prepared if
102.28 the sum of the quotients obtained by dividing the length of the new construction by 25 miles
102.29 and the length of the existing but newly designated trail by 25 miles equals or exceeds one.
102.30 Additions and designations under items C and D do not apply to this formula.";

102.31 (3) a new item C must be adopted to read: "When adding a new motorized recreational
102.32 use or seasonal motorized recreational use to an existing motorized recreational trail if the

103.1 treadway width is not expanded as a result of the added use, a mandatory EAW is not
103.2 required."; and

103.3 (4) a new item D must be adopted to read: "When designating an existing, legally
103.4 constructed route for motorized recreational use, a mandatory EAW is not required."

103.5 (b) The board may use the good cause exemption rulemaking procedure under Minnesota
103.6 Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and
103.7 Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota
103.8 Statutes, section 14.388.

103.9 **Sec. 100. WETLAND REPLACEMENT; FRAMEWORKS FOR IN-LIEU FEE**
103.10 **PROGRAM.**

103.11 The Board of Water and Soil Resources, in cooperation with the United States Army
103.12 Corps of Engineers, may complete the planning frameworks and other program application
103.13 requirements necessary for federal approval of an in-lieu fee program, as authorized under
103.14 Minnesota Statutes, section 103G.2242, in the Red River basin and the greater than 80
103.15 percent area. The planning frameworks must contain a prioritization strategy for selecting
103.16 and implementing mitigation activities based on a watershed approach that includes
103.17 consideration of historic resource loss within watersheds and the extent to which mitigation
103.18 can address priority watershed needs. The board must consider the recommendations of the
103.19 report "Siting of Wetland Mitigation in Northeast Minnesota," dated March 7, 2014, and
103.20 implementation of Minnesota Statutes, section 103B.3355, paragraphs (e) and (f), in
103.21 developing proposed planning frameworks for applicable watersheds. When completing
103.22 the work and pursuing approval of an in-lieu fee program, the board must do so consistent
103.23 with the applicable requirements, stakeholder and agency review processes, and approval
103.24 time frames in Code of Federal Regulations, title 33, section 332. The board must submit
103.25 any completed planning frameworks to the chairs and ranking minority members of the
103.26 house of representatives and the senate committees and divisions with jurisdiction over
103.27 environment and natural resources upon receiving federal approval.

103.28 **Sec. 101. TEMPORARY ENFORCEMENT OF GROUNDWATER**
103.29 **APPROPRIATION PERMIT REQUIREMENTS.**

103.30 (a) Until July 1, 2019, the commissioner of natural resources must not expend funds to
103.31 suspend or revoke a water appropriation permit, issue an order requiring a violation to be
103.32 corrected, assess monetary penalties, or otherwise take enforcement action against a water
103.33 appropriation permit holder if the suspension, revocation, order, penalty, or other enforcement

104.1 action is based solely on a violation of a permit requirement added to a groundwater
104.2 appropriation permit within the north and east metro groundwater management area as a
104.3 result of a court order issued in 2017.

104.4 (b) The commissioner of natural resources may continue to use all the authorities granted
104.5 to the commissioner under Minnesota Statutes, section 103G.287, to manage groundwater
104.6 resources within the north and east groundwater management area.

104.7 Sec. 102. **GROUNDWATER MANAGEMENT AREA PERMIT REQUIREMENTS.**

104.8 (a) Notwithstanding water appropriation permit requirements added by the commissioner
104.9 of natural resources as a result of a court order issued in 2017, a public water supplier located
104.10 in the seven-county metropolitan area within a designated groundwater management area:

104.11 (1) is not required to revise a water supply plan to include contingency plans to fully or
104.12 partially convert its water supplies to surface water;

104.13 (2) may prepare, enact, and enforce commercial or residential irrigation bans or alternative
104.14 measures that achieve similar water use reductions when notified by the commissioner of
104.15 natural resources that lake levels have fallen below court-ordered levels; and

104.16 (3) is not required to use per capita residential water use as a measure for purposes of
104.17 water use reduction goals, plans, and implementation and may submit water use plans and
104.18 reports that use a measure other than per capita residential water use.

104.19 (b) This section expires July 1, 2019.

104.20 Sec. 103. **1837 CEDED TERRITORY FISHERIES TECHNICAL COMMITTEE.**

104.21 The commissioner of natural resources may invite at least two fish managers as designated
104.22 by the commissioner to attend all meetings of the 1837 Ceded Territory Fisheries Technical
104.23 Committee.

104.24 Sec. 104. **CARBON MONOXIDE EXPOSURE; FISH HOUSES AND ICE**
104.25 **SHELTERS; REPORT.**

104.26 The commissioner of natural resources must work with fish house and ice shelter
104.27 manufacturers and other interested parties to identify best practices to reduce fish house
104.28 and ice shelter user exposure to carbon monoxide. The commissioner must increase outreach
104.29 efforts relating to the dangers of carbon monoxide exposure in fish houses and report
104.30 recommendations to the chairs of the house of representatives and senate committees and

105.1 divisions with jurisdiction over environment and natural resources policy by January 15,
105.2 2019.

105.3 **Sec. 105. NONPOINT PRIORITY FUNDING PLAN; REPORT.**

105.4 The Board of Water and Soil Resources, in cooperation with representatives of state
105.5 agencies, local governments, tribal governments, private and nonprofit organizations, and
105.6 others must review the nonpoint priority funding plan under Minnesota Statutes, section
105.7 114D.50, subdivision 3a. By January 31, 2019, the board must submit a report to the chairs
105.8 and ranking minority members of the house of representatives and senate committees and
105.9 divisions with jurisdiction over environment and natural resources that contains
105.10 recommendations to improve the effectiveness of nonpoint priority funding plans to meet
105.11 the requirements in Minnesota Statutes, section 114D.50, subdivision 3a, the purposes in
105.12 Minnesota Statutes, section 114D.50, subdivision 3, and the watershed and groundwater
105.13 restoration and protection goals of Minnesota Statutes, chapters 103B and 114D.

105.14 **Sec. 106. HILL-ANNEX MINE STATE PARK; MANAGEMENT AND OPERATION.**

105.15 (a) The commissioner of natural resources must operate the Hill-Annex Mine State Park
105.16 for the purposes it was established through June 30, 2021. The commissioner must work
105.17 with the group established under Laws 2017, chapter 93, article 2, section 156, to review
105.18 park activities and the alternate operating model developed and identify options for
105.19 sustainable and viable operation of the park site. The commissioner must submit
105.20 recommendations to the chairs and ranking minority members of the house of representatives
105.21 and senate committees and divisions with jurisdiction over the environment and natural
105.22 resources by January 15, 2021.

105.23 (b) The commissioner of natural resources must work with the city of Calumet, other
105.24 neighboring cities and townships, and other local units of government to identify and
105.25 coordinate volunteers to supplement the Department of Natural Resources' park operations
105.26 to the extent allowable under state law and rules.

105.27 **Sec. 107. DEMOLITION DEBRIS LANDFILLS; PERMITTING; GROUNDWATER**
105.28 **EVALUATION.**

105.29 (a) In issuing or reissuing a class I demolition land disposal facility permit, the Minnesota
105.30 Pollution Control Agency must consider environmental benefits and impacts, social and
105.31 economic factors, the feasibility and practicability of the permit conditions, and whether
105.32 the burden of any resulting tax or fee is reasonable, feasible, or practicable. A permit issued

106.1 under this section must be in accordance with Minnesota Rules, part 7035.2825, and the
106.2 Pollution Control Agency's Demolition Landfill Guidance published August 2005. The
106.3 Pollution Control Agency must not impose permit conditions on class 1 demolition land
106.4 disposal facilities, including requirements for enhanced cover and hydrogeologic sampling,
106.5 analysis, and reporting, that are not contained in current rules or the Demolition Landfill
106.6 Guidance unless revised rules are adopted reflecting the restrictions on permits required by
106.7 this paragraph.

106.8 (b) The Pollution Control Agency must use existing appropriations to contract with an
106.9 independent laboratory to develop a sampling protocol and to collect, analyze, and evaluate
106.10 groundwater quality data from demolition debris land disposal facilities under a monitoring
106.11 program in accordance with the Pollution Control Agency's Demolition Landfill Guidance
106.12 published August 2005. Data on groundwater quality must be evaluated in reference to and
106.13 in accordance with the definition of pollutant under Minnesota Statutes, section 103H.005,
106.14 subdivision 11, based on the Minnesota Department of Health's adopted health risk limits
106.15 and health risk values. In evaluating pollutants, a laboratory must consider whether pollutant
106.16 concentrations may originate from activities not associated with the permitted demolition
106.17 debris land disposal facility. By November 1, 2018, the agency must submit a report of the
106.18 evaluation to the chairs and ranking minority members of the senate and house of
106.19 representatives committees with jurisdiction over environment and natural resources finance.

106.20 **Sec. 108. PUBLIC DRAINAGE DITCH BUFFER STRIP; PLANTING AND**
106.21 **MAINTENANCE.**

106.22 With the consent of the property owner where the drainage ditch buffer will be located,
106.23 a drainage authority, as defined in Minnesota Statutes, section 103E.005, subdivision 9,
106.24 may plant and maintain 16-1/2-foot ditch buffer strips that meet the width and vegetation
106.25 requirements of Minnesota Statutes, section 103E.021, before acquiring and compensating
106.26 for the buffer strip land rights according to Minnesota Statutes, chapter 103E. Planting and
106.27 maintenance costs may be paid in accordance with Minnesota Statutes, chapter 103E. This
106.28 section expires June 30, 2019.

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

106.30 **Sec. 109. WILD RICE; LEGISLATIVE FINDINGS.**

106.31 (a) The legislature finds that naturally occurring wild rice is an ecologically and culturally
106.32 important aquatic plant resource found in certain waters within the state, which serves as a
106.33 food source for wildlife and humans. The legislature further finds that in recognition of the

107.1 unique importance of this resource, the Pollution Control Agency, in conjunction with
107.2 Minnesota Indian tribes, has identified and listed, in rule, select wild-rice waters for which
107.3 the water quality and the aquatic habitat necessary to support the propagation and
107.4 maintenance of wild rice must not be materially impaired or degraded. The legislature also
107.5 finds that identifying and listing additional wild-rice waters based upon their exceptional
107.6 wild-rice characteristics is an appropriate method of protecting naturally occurring wild
107.7 rice.

107.8 (b) The legislature further finds that federal law vests broad authority in the state to
107.9 define beneficial uses for waters for the state and grants the state the primary responsibility
107.10 and right to plan the development and use of the state's water resources and to specify
107.11 appropriate water uses to be achieved and protected. The legislature also finds that certain
107.12 waters of the state are used to irrigate wild rice intentionally grown as an agricultural crop,
107.13 which is an appropriate beneficial use to be achieved and protected and which is the only
107.14 established beneficial use specifically pertaining to wild rice. The legislature also finds that
107.15 Minnesota has a unique numeric water quality standard for sulfate in rule to protect this
107.16 beneficial use to permit the use of waters for irrigation for the production of wild rice that
107.17 is based on outdated information and ignores the current scientific understanding of the
107.18 potential impacts of sulfate on wild rice.

107.19 (c) The legislature further finds that it is contrary to the public welfare to impose
107.20 requirements or burdens on regulated parties in Minnesota on the basis of a water quality
107.21 standard that ignores current science. The legislature also finds that the water quality standard
107.22 for sulfate has not been enforced in Minnesota since it was adopted in 1973, that the Pollution
107.23 Control Agency has not designated in rules any waters subject to the water quality standard
107.24 for sulfate, and that initiating enforcement of the existing obsolete standard would impose
107.25 prohibitively expensive burdens on regulated parties with potentially grave economic impacts
107.26 on Minnesota communities and industry.

107.27 (d) In recognition of the existence in rule of a water quality standard for sulfate that is
107.28 not supported by current scientific information, in recognition of the potentially grave
107.29 consequences that would occur from enforcement of that obsolete standard, and recognizing
107.30 that the administrative process to repeal the rule has proven to be inefficient and will not
107.31 provide the regulatory certainty required in a timely manner in the absence of legislative
107.32 action, the legislature finds that the most effective means to serve the welfare of the state
107.33 is to enact sections 110 to 115 to eliminate the water quality standard for sulfate, leaving
107.34 in place sufficient other provisions in law and rule for the protection of naturally occurring
107.35 wild rice, including but not limited to the listing of additional select wild-rice waters.

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

108.2 Sec. 110. **WATER QUALITY STANDARD FOR SULFATE; RULEMAKING.**

108.3 The commissioner of the Pollution Control Agency may not adopt, modify, or proceed
108.4 with any revisions to the rules pertaining to water quality standards for sulfate for wild-rice
108.5 waters in Minnesota Rules, part 7050.0224, subpart 2, that were disapproved by the chief
108.6 administrative law judge on January 11, 2018, without again going through the rulemaking
108.7 procedures under Minnesota Statutes, sections 14.05 to 14.28, except Minnesota Statutes,
108.8 section 14.101, does not apply.

108.9 **EFFECTIVE DATE.** This section is effective retroactively from January 11, 2018.

108.10 Sec. 111. **IDENTIFICATION AND LISTING OF WILD-RICE WATERS.**

108.11 The commissioner of the Pollution Control Agency may evaluate the waters of the state
108.12 to determine if any additional waters containing naturally occurring wild rice have exceptional
108.13 wild-rice characteristics. The commissioner may, by rule, identify and list these waters as
108.14 [WR] waters where the water quality and the aquatic habitat necessary to support the
108.15 propagation and maintenance of wild rice must not be materially impaired or degraded.
108.16 Before identifying and listing a wild-rice water, the commissioner must establish, in a
108.17 separate and prior rulemaking, criteria to be used in identifying and listing wild-rice waters.
108.18 The criteria must include the following, each of which must be met before a water body
108.19 can be identified and listed as a wild-rice water:

108.20 (1) the history of harvesting wild rice;

108.21 (2) minimum acreage; and

108.22 (3) minimum density of wild rice.

108.23 Sec. 112. **APPLICATION OF WATER QUALITY STANDARD FOR SULFATE**
108.24 **FOR WILD-RICE WATERS.**

108.25 The commissioner of the Pollution Control Agency must not apply the water quality
108.26 standard for sulfate for wild-rice waters nullified in this act when issuing, modifying, or
108.27 renewing national pollutant discharge elimination system or state disposal system permits.
108.28 The commissioner of the Pollution Control Agency must take all steps necessary to conform
108.29 the agency's rules and practices to this act and to ensure that no regulated party is required
108.30 to take any action or bear any burden arising from the nullified water quality standard for
108.31 sulfate unless requested by the permittee.

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

109.2 Sec. 113. **APPLICATION OF EQUATION-BASED WATER QUALITY STANDARD**
109.3 **FOR WILD-RICE WATERS.**

109.4 The commissioner of the Pollution Control Agency must not apply the proposed
109.5 equation-based sulfate standard rejected by the chief administrative law judge on January
109.6 11, 2018, including as a numeric translator to the narrative sulfate standard for wild rice
109.7 under Minnesota Rules, part 7050.0150, subpart 3, or 7050.0224, subpart 1, when issuing,
109.8 modifying, or renewing national pollutant discharge elimination system or state disposal
109.9 system permits.

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

109.11 Sec. 114. **APPLICATION OF WATER QUALITY STANDARDS; IRRIGATION.**

109.12 The commissioner of the Pollution Control Agency must not apply a water quality
109.13 standard established to protect water quality for purposes of permitting the water's use for
109.14 irrigation without significant damage or adverse effects upon crops or vegetation, including
109.15 water used for the production of wild rice, unless the water is appropriated for irrigation
109.16 use.

109.17 Sec. 115. **NULLIFICATION OF WATER QUALITY STANDARD FOR SULFATE**
109.18 **IN WILD-RICE WATERS.**

109.19 (a) Notwithstanding Minnesota Rules, part 7050.0224, subpart 2, there is no numeric,
109.20 nonnarrative, water quality standard for sulfates in class 4A waters in the state until the
109.21 commissioner of the Pollution Control Agency adopts a standard in accordance with section
109.22 110.

109.23 (b) That portion of Minnesota Rules, part 7050.0224, subpart 2, that conflicts with
109.24 paragraph (a) is nullified and does not have the force and effect of law.

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

109.26 Sec. 116. **WILD RICE REPORT.**

109.27 (a) The commissioner of natural resources must convene a work group consisting of
109.28 state, tribal, and public experts familiar with the agronomy and hydrology that supports
109.29 naturally occurring wild rice. The work group's purpose is to advise the commissioner in
109.30 the preparation of a report on wild rice.

110.1 (b) The commissioner of natural resources must submit a report to the state's tribal
 110.2 governments and the chairs and ranking minority members of the legislative committees
 110.3 and divisions with jurisdiction over environment and natural resources by January 15, 2019,
 110.4 that:

110.5 (1) provides recommendations on actions necessary to preserve and improve the health
 110.6 of existing natural wild rice beds;

110.7 (2) includes recommendations on monitoring the effectiveness of restoration and
 110.8 protection activities;

110.9 (3) identifies best management practices for natural wild rice protection and restoration
 110.10 and recommendations for expanding the use of effective best management practices; and

110.11 (4) identifies areas in which to implement the best management practices.

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

110.13 **ARTICLE 5**

110.14 **JOBS AND ENERGY APPROPRIATIONS**

110.15 Section 1. **APPROPRIATIONS**

110.16 The sums shown in the columns under "Appropriations" are added to appropriations in
 110.17 Laws 2017, chapter 94, or other law to the specified agencies. The appropriations are from
 110.18 the general fund, or another named fund, and are available for the fiscal years indicated for
 110.19 each purpose. The figures "2018" and "2019" used in this article mean that the appropriations
 110.20 listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019,
 110.21 respectively. Appropriations for the fiscal year ending June 30, 2018, are effective the day
 110.22 following final enactment. Reductions may be taken in either fiscal year.

110.23 **APPROPRIATIONS**

110.24 **Available for the Year**

110.25 **Ending June 30**

110.26 **2018**

2019

110.27 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 110.28 **AND ECONOMIC DEVELOPMENT**

110.29 **Subdivision 1. Total Appropriation** **\$** **0** **\$** **20,320,000**

110.30 **Appropriations by Fund**

110.31 **General** **-0-** **\$19,720,000**

111.1 Renewable
 111.2 Development -0- \$600,000

111.3 The amounts that may be spent for each
 111.4 purpose are specified in the following
 111.5 subdivisions.

111.6 **Subd. 2. Business and Community Development** 0 5,320,000

111.7 Appropriations by Fund

111.8 General -0- \$4,720,000

111.9 Renewable
 111.10 Development -0- \$600,000

111.11 (a) \$50,000 in fiscal year 2019 is for a grant
 111.12 to Advocating Change Together to address
 111.13 barriers to employment for people with
 111.14 disabilities and provide skills training. This
 111.15 appropriation is available until June 30, 2021.

111.16 (b) \$400,000 in fiscal year 2019 is for a grant
 111.17 to Project Build Minnesota for a statewide
 111.18 public awareness campaign to encourage
 111.19 middle school and high school students to
 111.20 consider careers in the construction industry,
 111.21 with a special emphasis on reaching
 111.22 individuals and groups that are economically
 111.23 disadvantaged or historically underrepresented
 111.24 in the construction industry. Grant funds must
 111.25 be used to develop educational resources,
 111.26 including a Web site; perform outreach to
 111.27 students, parents, guidance counselors, and
 111.28 others about opportunities in the construction
 111.29 industry; and partner with educational
 111.30 institutions and nonprofits to offer technical
 111.31 training. This is a onetime appropriation.

111.32 (c) \$1,500,000 in fiscal year 2019 is for a grant
 111.33 to the city of Cambridge for costs associated
 111.34 with relocating and constructing a propane
 111.35 distribution facility and for costs associated

112.1 with demolition, cleanup and restoration of
112.2 the existing propane facility. Eligible costs
112.3 include: land acquisition, site preparation and
112.4 improvements, moving expenses, building
112.5 construction, rail construction, rail switch
112.6 construction, demolition, environmental
112.7 remediation, engineering, and other necessary
112.8 site improvements. This is a onetime
112.9 appropriation and is available until the project
112.10 is completed or abandoned subject to
112.11 Minnesota Statutes, section 16A.642.

112.12 (d) \$590,000 in fiscal year 2019 is for grants
112.13 to centers for independent living under
112.14 Minnesota Statutes, section 268A.11. The
112.15 grant money under this paragraph must be
112.16 used to hire eight employees to provide
112.17 services to veterans and to provide veterans
112.18 with other targeted services. This is a onetime
112.19 appropriation and is available until June 30,
112.20 2021.

112.21 (e) \$150,000 in fiscal year 2019 is for transfer
112.22 to the Cook County Higher Education Board
112.23 to provide educational programming and
112.24 academic support services to remote regions
112.25 in northeastern Minnesota. This is a onetime
112.26 appropriation.

112.27 (f) \$250,000 in fiscal year 2019 is for a grant
112.28 to Logistic Specialties, Inc. to create a pilot
112.29 workforce and development program in the
112.30 east metropolitan area focused on government
112.31 contract procurement and targeted to low- and
112.32 moderate-income communities of color. Every
112.33 six months, beginning on December 15, 2019,
112.34 the commissioner of employment and
112.35 economic development must submit a brief

113.1 update on the progress of the pilot project to
113.2 the chairs and ranking minority members of
113.3 the legislative committees with jurisdiction
113.4 over economic development. A final report
113.5 on pilot outcomes must be submitted to the
113.6 chairs and ranking minority members of the
113.7 legislative committees with jurisdiction over
113.8 economic development by February 15, 2020.
113.9 This is a onetime appropriation and funds are
113.10 available until June 30, 2020.

113.11 (g) \$500,000 in fiscal year 2019 is for job
113.12 training grants under Minnesota Statutes,
113.13 section 116L.42. This is a onetime
113.14 appropriation.

113.15 (h) \$250,000 in fiscal year 2019 is for a grant
113.16 to the Hallie Q. Brown Community Center,
113.17 Inc., for youth intervention services through
113.18 the community ambassadors and youth
113.19 employment program. This is a onetime
113.20 appropriation.

113.21 (i) Notwithstanding Minnesota Statutes,
113.22 section 116C.779, subdivision 1, paragraph
113.23 (k), \$600,000 in fiscal year 2019 is from the
113.24 renewable development account in the special
113.25 revenue fund established in Minnesota
113.26 Statutes, section 116C.779, subdivision 1, for
113.27 a grant to the Board of Regents of the
113.28 University of Minnesota for academic and
113.29 applied research through MnDRIVE at the
113.30 Natural Resources Research Institute. Of this
113.31 amount, \$300,000 is to develop and
113.32 demonstrate biomass conversion technology
113.33 for higher value fuels and \$300,000 is to
113.34 develop and demonstrate advanced biogas
113.35 technologies for clean methane fuels. Both

114.1 programs must focus on translation and
114.2 deployment of technologies developed in
114.3 partnerships between industry and the
114.4 University of Minnesota. This is a onetime
114.5 appropriation.

114.6 (j) \$230,000 in fiscal year 2019 is for a grant
114.7 to a city of the second class that is designated
114.8 as an economically depressed area by the
114.9 United States Department of Commerce. The
114.10 grant is for economic development,
114.11 redevelopment, and job creation programs and
114.12 projects. This is a onetime appropriation and
114.13 is available until June 30, 2021.

114.14 (k)(1) \$300,000 in fiscal year 2019 for a grant
114.15 to the Minnesota Environmental Science and
114.16 Economic Review Board (MESERB) to
114.17 review water quality regulation and national
114.18 pollutant discharge elimination system permits
114.19 (NPDES). This grant is subject to Minnesota
114.20 Statutes, section 16B.98. MESERB may select
114.21 the water quality regulations and permits to
114.22 be reviewed but must give preference to
114.23 reviewing any draft NPDES permit that has
114.24 new effluent limit requirements for a publicly
114.25 owned wastewater treatment facility outside
114.26 the seven county metropolitan area. Any
114.27 permit review must analyze the technical
114.28 accuracy of the permit and the impact on both
114.29 business and residential rates, the water quality
114.30 benefit of permit compliance, and the
114.31 anticipated funding for the permittee from
114.32 federal and state sources. This is a onetime
114.33 appropriation and is available until June 30,
114.34 2021.

115.1 (2) Upon completion of the permit review,
 115.2 MESERB must provide a copy of the review
 115.3 to the permittee and the commissioner of the
 115.4 Pollution Control Agency. MESERB must
 115.5 also submit a report summarizing its findings
 115.6 in each permit review performed in the
 115.7 previous calendar year to the chairs and
 115.8 ranking minority members of the legislative
 115.9 committees with jurisdiction over capital
 115.10 investment, environmental policy and finance,
 115.11 and economic development.

115.12 (1) \$500,000 in fiscal year 2019 is for a grant
 115.13 to Comunidades Latinas Unidas en Servicio
 115.14 (CLUES) to acquire property and to construct,
 115.15 furnish, and equip a new education and
 115.16 technology institute connected to CLUES
 115.17 headquarters in St. Paul to provide education
 115.18 and community gathering space. This
 115.19 appropriation is available when the
 115.20 commissioner of management and budget
 115.21 determines that sufficient resources have been
 115.22 committed to complete the project, as required
 115.23 by Minnesota Statutes, section 16A.502. This
 115.24 appropriation is onetime and available until
 115.25 the project is completed or abandoned, subject
 115.26 to Minnesota Statutes, section 16A.642.

115.27 **Subd. 3. Broadband Development** 0 15,000,000

115.28 (a) \$15,000,000 in fiscal year 2019 is for
 115.29 transfer to the border-to-border broadband
 115.30 fund account in the special revenue fund
 115.31 established under Minnesota Statutes, section
 115.32 116J.396 and may be used for purposes
 115.33 provided in Minnesota Statutes, section
 115.34 116J.395. This appropriation is onetime and
 115.35 is available until spent. Of this appropriation,

116.1 up to three percent is for costs incurred by the
 116.2 commissioner to administer Minnesota
 116.3 Statutes, section 116J.395. Administrative
 116.4 costs may include the following activities
 116.5 related to measuring progress toward the
 116.6 state's broadband goals established in
 116.7 Minnesota Statutes, section 237.012:

116.8 (1) collecting broadband deployment data from
 116.9 Minnesota providers, verifying its accuracy
 116.10 through on-the-ground testing, and creating
 116.11 state and county maps available to the public
 116.12 showing the availability of broadband service
 116.13 at various upload and download speeds
 116.14 throughout Minnesota;

116.15 (2) analyzing the deployment data collected
 116.16 to help inform future investments in broadband
 116.17 infrastructure; and

116.18 (3) conducting business and residential surveys
 116.19 that measure broadband adoption and use in
 116.20 the state.

116.21 Data provided by a broadband provider under
 116.22 this subdivision is nonpublic data under
 116.23 Minnesota Statutes, section 13.02, subdivision
 116.24 9. Maps produced under this subdivision are
 116.25 public data under Minnesota Statutes, section
 116.26 13.03.

116.27 (b) Of the amount appropriated in paragraph
 116.28 (a), \$750,000 is for grants to satellite
 116.29 broadband providers under Minnesota
 116.30 Statutes, section 116J.395.

116.31 Sec. 3. **HOUSING FINANCE AGENCY** **\$** **0** **\$** **1,880,000**

116.32 (a) \$1,000,000 in fiscal year 2019 is for
 116.33 transfer to the housing development fund for

117.1 the programs in Minnesota Statutes, sections
117.2 462A.201, subdivision 2, paragraph (a), clause
117.3 (4), and 462A.204, subdivision 8. The agency
117.4 may allocate this appropriation as necessary
117.5 to these two programs to facilitate the
117.6 Homework Starts with Home program. This
117.7 is a onetime appropriation.

117.8 (b) \$500,000 in fiscal year 2019 is for park
117.9 infrastructure grants under Minnesota Statutes,
117.10 section 462A.2035, subdivision 1b. This is a
117.11 onetime appropriation.

117.12 (c) \$380,000 in fiscal year 2019 is for grants
117.13 to organizations to provide lead risk
117.14 assessments by a lead inspector or a lead risk
117.15 assessor licensed by the commissioner
117.16 pursuant to Minnesota Statutes, section
117.17 144.9505, to test residential units for the
117.18 presence of lead hazards. Grant programs
117.19 receiving funding under this section must
117.20 provide funding for lead risk assessments for
117.21 properties built before 1978 to:

117.22 (1) landlords of residential buildings for
117.23 testing on units where the tenant's income does
117.24 not exceed 60 percent of area median income;
117.25 or

117.26 (2) tenants with an income that does not
117.27 exceed 60 percent of area median income.

117.28 The commissioner shall award grant funding
117.29 to target grant resources to landlords and
117.30 tenants where there are high concentrations
117.31 of lead poisoning in children based on the
117.32 information provided from the commissioner
117.33 of health. Up to ten percent of the grant may
117.34 be used to administer the grant and provide

118.1 education and outreach about lead health
 118.2 hazards. This is a onetime appropriation.

118.3 **Sec. 4. DEPARTMENT OF COMMERCE \$ 0 \$ 7,100,000**

118.4 This appropriation is from the renewable
 118.5 development fund.

118.6 (a) Notwithstanding Minnesota Statutes,
 118.7 section 116C.779, subdivision 1, paragraph
 118.8 (k), \$3,000,000 in fiscal year 2019 is from the
 118.9 renewable development account in the special
 118.10 revenue fund under Minnesota Statutes,
 118.11 section 116C.779, subdivision 1, for the local
 118.12 government emerald ash borer removal grant
 118.13 program under Minnesota Statutes, section
 118.14 216C.437. This appropriation is onetime and
 118.15 available until June 30, 2021.

118.16 (b)(1) \$1,000,000 in fiscal year 2019 is from
 118.17 the renewable development account in the
 118.18 special revenue fund under Minnesota
 118.19 Statutes, section 116C.779, subdivision 1, to
 118.20 fund grants for demonstration projects that
 118.21 assess the technical and economic
 118.22 effectiveness of deploying energy storage
 118.23 systems to restore electrical energy to critical
 118.24 health care facilities following electrical
 118.25 outages due to storms or other catastrophic
 118.26 events. This is a onetime appropriation.

118.27 (2) The commissioner of commerce shall
 118.28 endeavor to make grant awards under this
 118.29 section for projects at critical health care
 118.30 facilities located in all regions of the state.

118.31 (3) For the purposes of this paragraph, "energy
 118.32 storage system" means a commercially
 118.33 available technology capable of (i) absorbing
 118.34 and storing electrical energy, and (ii)

119.1 dispatching sorted electrical energy for use at
119.2 a later time.

119.3 (c) \$1,100,000 in fiscal year 2019 is from the
119.4 renewable development account in the special
119.5 revenue fund under Minnesota Statutes,
119.6 section 116C.779, subdivision 1, for the
119.7 residential biomass heating system grant
119.8 program under Minnesota Statutes, section
119.9 216C.419. This is a onetime appropriation and
119.10 available until June 30, 2020.

119.11 (d) Notwithstanding Minnesota Statutes,
119.12 section 116C.779, subdivision 1, paragraph
119.13 (k), \$2,000,000 in fiscal year 2019 is
119.14 appropriated from the renewable development
119.15 account in the special revenue fund established
119.16 in Minnesota Statutes, section 116C.779,
119.17 subdivision 1, to the commissioner for a grant
119.18 to the public utility that owns the Prairie Island
119.19 nuclear generation plant, for the following
119.20 purposes:

119.21 (1) \$1,000,000 is to conduct a study to
119.22 determine the most rapid, safe, and economical
119.23 methods to remove spent nuclear fuel from
119.24 the independent spent fuel storage installations
119.25 at the Prairie Island and Monticello nuclear
119.26 electric generating plants, including, but not
119.27 limited to, an evaluation of alternative modes
119.28 of transport, possible routes, and infrastructure
119.29 needs; and

119.30 (2) \$1,000,000 is to support the preparation
119.31 of applications by independent private parties
119.32 seeking a license from the Nuclear Regulatory
119.33 Commission to establish a consolidated
119.34 interim storage facility that could store spent
119.35 nuclear fuel currently stored at the independent

120.1 spent fuel storage installations at the
 120.2 Monticello and Prairie Island nuclear electric
 120.3 generating plants.
 120.4 By July 15, 2019, the public utility that owns
 120.5 the Prairie Island nuclear electric generating
 120.6 plant must submit a report to the chairs and
 120.7 ranking minority members of the legislative
 120.8 committees with jurisdiction over electric
 120.9 utilities and to the commissioner describing
 120.10 the activities on which funds have been
 120.11 expended under this paragraph, the results or
 120.12 progress of any study or initiative, and future
 120.13 planned uses of the funds. The public utility
 120.14 must submit updated reports to the same
 120.15 persons each succeeding July 15 until all funds
 120.16 have been expended or unexpended funds have
 120.17 been returned to the account. Any funds not
 120.18 expended at the time of the final report must
 120.19 be returned to the account. This is a onetime
 120.20 appropriation.

120.21 **Sec. 5. PUBLIC FACILITIES AUTHORITY \$ 0 \$ 3,550,000**

120.22 (a) \$750,000 in fiscal year 2019 is for a grant
 120.23 to the city of Deer River to predesign, design,
 120.24 engineer, and construct a stabilization pond
 120.25 and to predesign, design, construct, and install
 120.26 the replacement and expansion of storm sewer
 120.27 lines, sanitary sewer lines, and water lines in
 120.28 the city of Deer River. This appropriation is
 120.29 available when the commissioner of
 120.30 management and budget determines that
 120.31 resources sufficient to complete the project
 120.32 are committed to the project, as required in
 120.33 Minnesota Statutes, section 16A.502. This is
 120.34 a onetime appropriation and is available until

121.1 the project is completed or abandoned subject
121.2 to Minnesota Statutes, section 16A.642.

121.3 (b) \$600,000 in fiscal year 2019 is for a grant
121.4 to the Alexandria Lake Area Sanitary District
121.5 for lake management activities, including but
121.6 not limited to alum treatment in Lake Agnes,
121.7 carp removal in Lake Winona, and related
121.8 management and reassessment measures that
121.9 are intended to achieve and maintain
121.10 compliance with water quality standards for
121.11 phosphorus and the total maximum daily load
121.12 for Lake Winona. This is a onetime
121.13 appropriation and is available until June 30,
121.14 2021.

121.15 (c) \$1,100,000 in fiscal year 2019 is for a grant
121.16 to the city of Cold Spring to acquire land,
121.17 predesign, design, engineer, construct, furnish,
121.18 and equip water infrastructure, including
121.19 drilling new wells, a water treatment plant,
121.20 and piping for water distribution. This is a
121.21 onetime appropriation and is available until
121.22 the project is completed or abandoned subject
121.23 to Minnesota Statutes, section 16A.642.

121.24 (d) \$1,100,000 in fiscal year 2019 is for a
121.25 grant to the Big Lake Area Sanitary District
121.26 to construct a pressure sewer system and force
121.27 main to convey sewage to the Western Lake
121.28 Superior Sanitary District connection in the
121.29 city of Cloquet. This is a onetime
121.30 appropriation and is available until the project
121.31 is completed or abandoned subject to
121.32 Minnesota Statutes, section 16A.642.

122.1 Sec. 6. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws
 122.2 2017, First Special Session chapter 7, section 2, is amended to read:

122.3			40,935,000
122.4	Subd. 2. Business and Community Development	\$ 46,074,000	\$ <u>30,585,000</u>

122.5 Appropriations by Fund

122.6			\$38,424,000
122.7	General	\$43,363,000	<u>\$28,074,000</u>
122.8	Remediation	\$700,000	\$700,000
122.9	Workforce		
122.10	Development	\$1,861,000	\$1,811,000
122.11	Special Revenue	\$150,000	-0-

122.12 (a) \$4,195,000 each year is for the Minnesota
 122.13 job skills partnership program under
 122.14 Minnesota Statutes, sections 116L.01 to
 122.15 116L.17. If the appropriation for either year
 122.16 is insufficient, the appropriation for the other
 122.17 year is available. This appropriation is
 122.18 available until spent.

122.19 (b) \$750,000 each year is for grants to the
 122.20 Neighborhood Development Center for small
 122.21 business programs:

- 122.22 (1) training, lending, and business services;
- 122.23 (2) model outreach and training in greater
 122.24 Minnesota; and
- 122.25 (3) development of new business incubators.

122.26 This is a onetime appropriation.

122.27 (c) \$1,175,000 each year is for a grant to the
 122.28 Metropolitan Economic Development
 122.29 Association (MEDA) for statewide business
 122.30 development and assistance services, including
 122.31 services to entrepreneurs with businesses that
 122.32 have the potential to create job opportunities
 122.33 for unemployed and underemployed people,
 122.34 with an emphasis on minority-owned
 122.35 businesses. This is a onetime appropriation.

123.1 (d) \$125,000 each year is for a grant to the
123.2 White Earth Nation for the White Earth Nation
123.3 Integrated Business Development System to
123.4 provide business assistance with workforce
123.5 development, outreach, technical assistance,
123.6 infrastructure and operational support,
123.7 financing, and other business development
123.8 activities. This is a onetime appropriation.

123.9 (e)(1) \$12,500,000 ~~each year is~~ in fiscal year
123.10 2018 and \$7,500,000 in fiscal year 2019 are
123.11 for the Minnesota investment fund under
123.12 Minnesota Statutes, section 116J.8731. Of this
123.13 amount, the commissioner of employment and
123.14 economic development may use up to three
123.15 percent for administration and monitoring of
123.16 the program. This appropriation is available
123.17 until spent. In fiscal year 2020, the base
123.18 amount is \$12,500,000. For fiscal year 2021
123.19 and beyond, the base amount is \$9,500,000.

123.20 (2) Of the amount appropriated in fiscal year
123.21 2018, \$4,000,000 is for a loan to construct and
123.22 equip a wholesale electronic component
123.23 distribution center investing a minimum of
123.24 \$200,000,000 and constructing a facility at
123.25 least 700,000 square feet in size. Loan funds
123.26 may be used for purchases of materials,
123.27 supplies, and equipment for the construction
123.28 of the facility and are available from July 1,
123.29 2017, to June 30, 2021. The commissioner of
123.30 employment and economic development shall
123.31 forgive the loan after verification that the
123.32 project has satisfied performance goals and
123.33 contractual obligations as required under
123.34 Minnesota Statutes, section 116J.8731.

124.1 (3) Of the amount appropriated in fiscal year
124.2 2018, \$700,000 is for a loan to extend an
124.3 effluent pipe that will deliver reclaimed water
124.4 to an innovative waste-to-biofuel project
124.5 investing a minimum of \$150,000,000 and
124.6 constructing a facility that is designed to
124.7 process approximately 400,000 tons of waste
124.8 annually. Loan funds are available until June
124.9 30, 2021.

124.10 (4) Of the amount appropriated in fiscal year
124.11 2019, \$2,000,000 is for one or more grants to
124.12 Florence Township in Goodhue County to
124.13 predesign, design, engineer, construct, and
124.14 install infrastructure for storm water
124.15 protection, wells, roads, public safety, and
124.16 power access in southeastern Minnesota, in
124.17 partnership with a tribal government and a
124.18 nonprofit organization, to enable future
124.19 economic development and increase economic
124.20 activity in southeastern Minnesota. The grant
124.21 recipient must provide a nonstate contribution
124.22 in an amount at least equal to the grant. This
124.23 portion of the appropriation is available until
124.24 the project is completed or abandoned subject
124.25 to Minnesota Statutes, section 16A.642.

124.26 (5) Of the amount appropriated in fiscal year
124.27 2019, \$500,000 is for a grant to Mille Lacs
124.28 County to provide loans as described in
124.29 Minnesota Statutes, section 116J.8731, for
124.30 eligible projects located within one of the
124.31 following municipalities surrounding Lake Mille
124.32 Lacs:

124.33 (i) in Crow Wing County, the city of Garrison,
124.34 township of Garrison, or township of
124.35 Roosevelt;

125.1 (ii) in Aitkin County, the township of
125.2 Hazelton, township of Wealthwood, township
125.3 of Malmo, or township of Lakeside; or
125.4 (iii) in Mille Lacs County, the city of Isle, city
125.5 of Wahkon, city of Onamia, township of East
125.6 Side, township of Isle Harbor, township of
125.7 South Harbor, or township of Kathio.

125.8 (6) Of the amount appropriated in fiscal year
125.9 2019, \$500,000 is for a grant to the city of
125.10 Minnetonka for a high-risk, high-return jobs
125.11 retention and creation initiative to be
125.12 conducted by a local organization that
125.13 produces lactic acid/lactate, to help grow and
125.14 expand the bioeconomy in Minnesota. The
125.15 grant under this clause is not subject to the
125.16 limitations under Minnesota Statutes, section
125.17 116J.8731, subdivision 5, or the performance
125.18 goals and contractual obligations under
125.19 Minnesota Statutes, section 116J.8731,
125.20 subdivision 7.

125.21 (7) Of the amount appropriated in fiscal year
125.22 2019, \$500,000 is for a loan to a paper mill in
125.23 Duluth to support the operation and
125.24 manufacture of packaging paper grades. The
125.25 company that owns the paper mill must spend
125.26 \$15,000,000 on expansion activities by
125.27 December 31, 2019, in order to be eligible to
125.28 receive funds under this appropriation.

125.29 Appropriation funds may be used for the mill's
125.30 equipment, materials, supplies, and other
125.31 operating expenses. The commissioner of
125.32 employment and economic development shall
125.33 forgive a portion of the loan each year after
125.34 verification that the mill has retained 195
125.35 full-time jobs over a period of five years and

126.1 has satisfied other performance goals and
126.2 contractual obligations as required under
126.3 Minnesota Statutes, section 116J.8731.

126.4 (f) \$8,500,000 ~~each year is~~ in fiscal year 2018
126.5 and \$1,500,000 in fiscal year 2019 are for the
126.6 Minnesota job creation fund under Minnesota
126.7 Statutes, section 116J.8748. Of this amount,
126.8 the commissioner of employment and
126.9 economic development may use up to three
126.10 percent for administrative expenses. This
126.11 appropriation is available until expended. In
126.12 fiscal year 2020 ~~and beyond~~, the base amount
126.13 is \$8,000,000. In fiscal year 2021 and beyond,
126.14 the base amount is \$5,000,000.

126.15 (g) \$1,647,000 each year is for contaminated
126.16 site cleanup and development grants under
126.17 Minnesota Statutes, sections 116J.551 to
126.18 116J.558. This appropriation is available until
126.19 spent. In fiscal year 2020 and beyond, the base
126.20 amount is \$1,772,000.

126.21 (h) \$12,000 each year is for a grant to the
126.22 Upper Minnesota Film Office.

126.23 (i) \$163,000 each year is for the Minnesota
126.24 Film and TV Board. The appropriation in each
126.25 year is available only upon receipt by the
126.26 board of \$1 in matching contributions of
126.27 money or in-kind contributions from nonstate
126.28 sources for every \$3 provided by this
126.29 appropriation, except that each year up to
126.30 \$50,000 is available on July 1 even if the
126.31 required matching contribution has not been
126.32 received by that date.

126.33 (j) \$500,000 each year is from the general fund
126.34 for a grant to the Minnesota Film and TV

127.1 Board for the film production jobs program
127.2 under Minnesota Statutes, section 116U.26.
127.3 This appropriation is available until June 30,
127.4 2021.

127.5 (k) \$139,000 each year is for a grant to the
127.6 Rural Policy and Development Center under
127.7 Minnesota Statutes, section 116J.421.

127.8 ~~(l)(1) \$1,300,000 each year is in fiscal year~~
127.9 2018 and \$2,200,000 in fiscal year 2019 are
127.10 for the greater Minnesota business
127.11 development public infrastructure grant
127.12 program under Minnesota Statutes, section
127.13 116J.431. This appropriation is available until
127.14 spent. If the appropriation for either year is
127.15 insufficient, the appropriation for the other
127.16 year is available. In fiscal year 2020 and
127.17 beyond, the base amount is \$1,787,000. Funds
127.18 available under this paragraph may be used
127.19 for site preparation of property owned and to
127.20 be used by private entities.

127.21 (2) Of the amounts appropriated, \$1,600,000
127.22 in fiscal year 2018 is for a grant to the city of
127.23 Thief River Falls to support utility extensions,
127.24 roads, and other public improvements related
127.25 to the construction of a wholesale electronic
127.26 component distribution center at least 700,000
127.27 square feet in size and investing a minimum
127.28 of \$200,000,000. Notwithstanding Minnesota
127.29 Statutes, section 116J.431, a local match is
127.30 not required. Grant funds are available from
127.31 July 1, 2017, to June 30, 2021.

127.32 (m) \$876,000 the first year and \$500,000 the
127.33 second year are for the Minnesota emerging
127.34 entrepreneur loan program under Minnesota
127.35 Statutes, section 116M.18. Funds available

128.1 under this paragraph are for transfer into the
128.2 emerging entrepreneur program special
128.3 revenue fund account created under Minnesota
128.4 Statutes, chapter 116M, and are available until
128.5 spent. Of this amount, up to four percent is for
128.6 administration and monitoring of the program.
128.7 In fiscal year 2020 and beyond, the base
128.8 amount is \$1,000,000.

128.9 (n) \$875,000 each year is for a grant to
128.10 Enterprise Minnesota, Inc. for the small
128.11 business growth acceleration program under
128.12 Minnesota Statutes, section 116O.115. This
128.13 is a onetime appropriation.

128.14 (o) \$250,000 in fiscal year 2018 is for a grant
128.15 to the Minnesota Design Center at the
128.16 University of Minnesota for the greater
128.17 Minnesota community design pilot project.

128.18 (p) \$275,000 in fiscal year 2018 is from the
128.19 general fund to the commissioner of
128.20 employment and economic development for
128.21 a grant to Community and Economic
128.22 Development Associates (CEDA) for an
128.23 economic development study and analysis of
128.24 the effects of current and projected economic
128.25 growth in southeast Minnesota. CEDA shall
128.26 report on the findings and recommendations
128.27 of the study to the committees of the house of
128.28 representatives and senate with jurisdiction
128.29 over economic development and workforce
128.30 issues by February 15, 2019. All results and
128.31 information gathered from the study shall be
128.32 made available for use by cities in southeast
128.33 Minnesota by March 15, 2019. This
128.34 appropriation is available until June 30, 2020.

129.1 (q) \$2,000,000 in fiscal year 2018 is for a
129.2 grant to Pillsbury United Communities for
129.3 construction and renovation of a building in
129.4 north Minneapolis for use as the "North
129.5 Market" grocery store and wellness center,
129.6 focused on offering healthy food, increasing
129.7 health care access, and providing job creation
129.8 and economic opportunities in one place for
129.9 children and families living in the area. To the
129.10 extent possible, Pillsbury United Communities
129.11 shall employ individuals who reside within a
129.12 five mile radius of the grocery store and
129.13 wellness center. This appropriation is not
129.14 available until at least an equal amount of
129.15 money is committed from nonstate sources.
129.16 This appropriation is available until the project
129.17 is completed or abandoned, subject to
129.18 Minnesota Statutes, section 16A.642.

129.19 (r) \$1,425,000 each year is for the business
129.20 development competitive grant program. Of
129.21 this amount, up to five percent is for
129.22 administration and monitoring of the business
129.23 development competitive grant program. All
129.24 grant awards shall be for two consecutive
129.25 years. Grants shall be awarded in the first year.

129.26 (s) \$875,000 each year is for the host
129.27 community economic development grant
129.28 program established in Minnesota Statutes,
129.29 section 116J.548.

129.30 (t) \$700,000 each year is from the remediation
129.31 fund for contaminated site cleanup and
129.32 development grants under Minnesota Statutes,
129.33 sections 116J.551 to 116J.558. This
129.34 appropriation is available until spent.

130.1 (u) \$161,000 each year is from the workforce
130.2 development fund for a grant to the Rural
130.3 Policy and Development Center. This is a
130.4 onetime appropriation.

130.5 (v) \$300,000 each year is from the workforce
130.6 development fund for a grant to Enterprise
130.7 Minnesota, Inc. This is a onetime
130.8 appropriation.

130.9 (w) \$50,000 in fiscal year 2018 is from the
130.10 workforce development fund for a grant to
130.11 Fighting Chance for behavioral intervention
130.12 programs for at-risk youth.

130.13 (x) \$1,350,000 each year is from the
130.14 workforce development fund for job training
130.15 grants under Minnesota Statutes, section
130.16 116L.42.

130.17 (y)(1) \$519,000 in fiscal year 2018 ~~is~~ and
130.18 \$750,000 in fiscal year 2019 are for grants to
130.19 local communities to increase the supply of
130.20 quality child care providers in order to support
130.21 economic development. At least 60 percent of
130.22 grant funds must go to communities located
130.23 outside of the seven-county metropolitan area,
130.24 as defined under Minnesota Statutes, section
130.25 473.121, subdivision 2. Grant recipients must
130.26 obtain a 50 percent nonstate match to grant
130.27 funds in either cash or in-kind contributions.
130.28 Grant funds available under this paragraph
130.29 must be used to implement solutions to reduce
130.30 the child care shortage in the state including
130.31 but not limited to funding for child care
130.32 business start-ups or expansions, training,
130.33 facility modifications or improvements
130.34 required for licensing, and assistance with
130.35 licensing and other regulatory requirements.

131.1 In awarding grants, the commissioner must
131.2 give priority to communities that have
131.3 documented a shortage of child care providers
131.4 in the area. For fiscal year 2019, each grant
131.5 recipient must target at least one-half of the
131.6 recipient's grant funding to child care
131.7 providers who have not previously received
131.8 funding under this program. The base amount
131.9 in fiscal year 2020 and beyond is \$0.

131.10 (2) Within one year of receiving grant funds,
131.11 grant recipients must report to the
131.12 commissioner on the outcomes of the grant
131.13 program including but not limited to the
131.14 number of new providers, the number of
131.15 additional child care provider jobs created, the
131.16 number of additional child care slots, and the
131.17 amount of local funds invested.

131.18 (3) By January 1 of each year, starting in 2019,
131.19 the commissioner must report to the standing
131.20 committees of the legislature having
131.21 jurisdiction over child care and economic
131.22 development on the outcomes of the program
131.23 to date.

131.24 (z) \$319,000 in fiscal year 2018 is from the
131.25 general fund for a grant to the East Phillips
131.26 Improvement Coalition to create the East
131.27 Phillips Neighborhood Institute (EPNI) to
131.28 expand culturally tailored resources that
131.29 address small business growth and create
131.30 green jobs. The grant shall fund the
131.31 collaborative work of Tamales y Bicicletas,
131.32 Little Earth of the United Tribes, a nonprofit
131.33 serving East Africans, and other coalition
131.34 members towards developing EPNI as a
131.35 community space to host activities including,

132.1 but not limited to, creation and expansion of
132.2 small businesses, culturally specific
132.3 entrepreneurial activities, indoor urban
132.4 farming, job training, education, and skills
132.5 development for residents of this low-income,
132.6 environmental justice designated
132.7 neighborhood. Eligible uses for grant funds
132.8 include, but are not limited to, planning and
132.9 start-up costs, staff and consultant costs,
132.10 building improvements, rent, supplies, utilities,
132.11 vehicles, marketing, and program activities.
132.12 The commissioner shall submit a report on
132.13 grant activities and quantifiable outcomes to
132.14 the committees of the house of representatives
132.15 and the senate with jurisdiction over economic
132.16 development by December 15, 2020. This
132.17 appropriation is available until June 30, 2020.

132.18 (aa) \$150,000 the first year is from the
132.19 renewable development account in the special
132.20 revenue fund established in Minnesota
132.21 Statutes, section 116C.779, subdivision 1, to
132.22 conduct the biomass facility closure economic
132.23 impact study.

132.24 (bb)(1)\$300,000 in fiscal year 2018 is for a
132.25 grant to East Side Enterprise Center (ESEC)
132.26 to expand culturally tailored resources that
132.27 address small business growth and job
132.28 creation. This appropriation is available until
132.29 June 30, 2020. The appropriation shall fund
132.30 the work of African Economic Development
132.31 Solutions, the Asian Economic Development
132.32 Association, the Dayton's Bluff Community
132.33 Council, and the Latino Economic
132.34 Development Center in a collaborative
132.35 approach to economic development that is

133.1 effective with smaller, culturally diverse
133.2 communities that seek to increase the
133.3 productivity and success of new immigrant
133.4 and minority populations living and working
133.5 in the community. Programs shall provide
133.6 minority business growth and capacity
133.7 building that generate wealth and jobs creation
133.8 for local residents and business owners on the
133.9 East Side of St. Paul.

133.10 (2) In fiscal year 2019 ESEC shall use funds
133.11 to share its integrated service model and
133.12 evolving collaboration principles with civic
133.13 and economic development leaders in greater
133.14 Minnesota communities which have diverse
133.15 populations similar to the East Side of St. Paul.
133.16 ESEC shall submit a report of activities and
133.17 program outcomes, including quantifiable
133.18 measures of success annually to the house of
133.19 representatives and senate committees with
133.20 jurisdiction over economic development.

133.21 (cc) \$150,000 in fiscal year 2018 is for a grant
133.22 to Mille Lacs County for the purpose of
133.23 reimbursement grants to small resort
133.24 businesses located in the city of Isle with less
133.25 than \$350,000 in annual revenue, at least four
133.26 rental units, which are open during both
133.27 summer and winter months, and whose
133.28 business was adversely impacted by a decline
133.29 in walleye fishing on Lake Mille Lacs.

133.30 (dd)(1) \$250,000 in fiscal year 2018 is for a
133.31 grant to the Small Business Development
133.32 Center hosted at Minnesota State University,
133.33 Mankato, for a collaborative initiative with
133.34 the Regional Center for Entrepreneurial
133.35 Facilitation. Funds available under this section

134.1 must be used to provide entrepreneur and
134.2 small business development direct professional
134.3 business assistance services in the following
134.4 counties in Minnesota: Blue Earth, Brown,
134.5 Faribault, Le Sueur, Martin, Nicollet, Sibley,
134.6 Watonwan, and Waseca. For the purposes of
134.7 this section, "direct professional business
134.8 assistance services" must include, but is not
134.9 limited to, pre-venture assistance for
134.10 individuals considering starting a business.
134.11 This appropriation is not available until the
134.12 commissioner determines that an equal amount
134.13 is committed from nonstate sources. Any
134.14 balance in the first year does not cancel and
134.15 is available for expenditure in the second year.

134.16 (2) Grant recipients shall report to the
134.17 commissioner by February 1 of each year and
134.18 include information on the number of
134.19 customers served in each county; the number
134.20 of businesses started, stabilized, or expanded;
134.21 the number of jobs created and retained; and
134.22 business success rates in each county. By April
134.23 1 of each year, the commissioner shall report
134.24 the information submitted by grant recipients
134.25 to the chairs of the standing committees of the
134.26 house of representatives and the senate having
134.27 jurisdiction over economic development
134.28 issues.

134.29 (ee) \$500,000 in fiscal year 2018 is for the
134.30 central Minnesota opportunity grant program
134.31 established under Minnesota Statutes, section
134.32 116J.9922. This appropriation is available until
134.33 June 30, 2022.

134.34 (ff) \$25,000 each year is for the administration
134.35 of state aid for the Destination Medical Center

135.1 under Minnesota Statutes, sections 469.40 to
 135.2 469.47.

135.3 Sec. 7. Laws 2017, chapter 94, article 1, section 2, subdivision 3, is amended to read:

135.4 Subd. 3. **Workforce Development** \$ 31,498,000 \$ 30,231,000

135.5 Appropriations by Fund

135.6 General \$6,239,000 \$5,889,000

135.7 Workforce

135.8 Development \$25,259,000 \$24,342,000

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

135.12 Of this amount, up to five percent is for
 135.13 administration and monitoring of the youth
 135.14 workforce development competitive grant
 135.15 program. All grant awards shall be for two
 135.16 consecutive years. Grants shall be awarded in
 135.17 the first year. In fiscal year 2020 and beyond,
 135.18 the base amount is \$750,000.

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

135.22 (c) \$500,000 each year is for rural career
 135.23 counseling coordinator positions in the
 135.24 workforce service areas and for the purposes
 135.25 specified in Minnesota Statutes, section
 135.26 116L.667. The commissioner of employment
 135.27 and economic development, in consultation
 135.28 with local workforce investment boards and
 135.29 local elected officials in each of the service
 135.30 areas receiving funds, shall develop a method
 135.31 of distributing funds to provide equitable
 135.32 services across workforce service areas.

135.33 (d) \$1,000,000 each year is for a grant to the
 135.34 Construction Careers Foundation for the

136.1 construction career pathway initiative to
136.2 provide year-round educational and
136.3 experiential learning opportunities for teens
136.4 and young adults under the age of 21 that lead
136.5 to careers in the construction industry. This is
136.6 a onetime appropriation. Grant funds must be
136.7 used to:

136.8 (1) increase construction industry exposure
136.9 activities for middle school and high school
136.10 youth, parents, and counselors to reach a more
136.11 diverse demographic and broader statewide
136.12 audience. This requirement includes, but is
136.13 not limited to, an expansion of programs to
136.14 provide experience in different crafts to youth
136.15 and young adults throughout the state;

136.16 (2) increase the number of high schools in
136.17 Minnesota offering construction classes during
136.18 the academic year that utilize a multicraft
136.19 curriculum;

136.20 (3) increase the number of summer internship
136.21 opportunities;

136.22 (4) enhance activities to support graduating
136.23 seniors in their efforts to obtain employment
136.24 in the construction industry;

136.25 (5) increase the number of young adults
136.26 employed in the construction industry and
136.27 ensure that they reflect Minnesota's diverse
136.28 workforce; and

136.29 (6) enhance an industrywide marketing
136.30 campaign targeted to youth and young adults
136.31 about the depth and breadth of careers within
136.32 the construction industry.

136.33 Programs and services supported by grant
136.34 funds must give priority to individuals and

137.1 groups that are economically disadvantaged
137.2 or historically underrepresented in the
137.3 construction industry, including but not limited
137.4 to women, veterans, and members of minority
137.5 and immigrant groups.

137.6 (e) \$1,539,000 each year from the general fund
137.7 and \$4,604,000 each year from the workforce
137.8 development fund are for the Pathways to
137.9 Prosperity adult workforce development
137.10 competitive grant program. Of this amount,
137.11 up to four percent is for administration and
137.12 monitoring of the program. When awarding
137.13 grants under this paragraph, the commissioner
137.14 of employment and economic development
137.15 may give preference to any previous grantee
137.16 with demonstrated success in job training and
137.17 placement for hard-to-train individuals. In
137.18 fiscal year 2020 and beyond, the general fund
137.19 base amount for this program is \$4,039,000.

137.20 (f) \$750,000 each year is for a competitive
137.21 grant program to provide grants to
137.22 organizations that provide support services for
137.23 individuals, such as job training, employment
137.24 preparation, internships, job assistance to
137.25 fathers, financial literacy, academic and
137.26 behavioral interventions for low-performing
137.27 students, and youth intervention. Grants made
137.28 under this section must focus on low-income
137.29 communities, young adults from families with
137.30 a history of intergenerational poverty, and
137.31 communities of color. Of this amount, up to
137.32 four percent is for administration and
137.33 monitoring of the program. In fiscal year 2020
137.34 and beyond, the base amount is \$1,000,000.

138.1 (g) \$500,000 each year is for the women and
138.2 high-wage, high-demand, nontraditional jobs
138.3 grant program under Minnesota Statutes,
138.4 section 116L.99. Of this amount, up to five
138.5 percent is for administration and monitoring
138.6 of the program. In fiscal year 2020 and
138.7 beyond, the base amount is \$750,000.

138.8 (h) \$500,000 each year is for a competitive
138.9 grant program for grants to organizations
138.10 providing services to relieve economic
138.11 disparities in the Southeast Asian community
138.12 through workforce recruitment, development,
138.13 job creation, assistance of smaller
138.14 organizations to increase capacity, and
138.15 outreach. Of this amount, up to five percent
138.16 is for administration and monitoring of the
138.17 program. In fiscal year 2020 and beyond, the
138.18 base amount is \$1,000,000.

138.19 (i) \$250,000 each year is for a grant to the
138.20 American Indian Opportunities and
138.21 Industrialization Center, in collaboration with
138.22 the Northwest Indian Community
138.23 Development Center, to reduce academic
138.24 disparities for American Indian students and
138.25 adults. This is a onetime appropriation. The
138.26 grant funds may be used to provide:

138.27 (1) student tutoring and testing support
138.28 services;

138.29 (2) training in information technology;

138.30 (3) assistance in obtaining a GED;

138.31 (4) remedial training leading to enrollment in
138.32 a postsecondary higher education institution;

138.33 (5) real-time work experience in information
138.34 technology fields; and

139.1 (6) contextualized adult basic education.

139.2 After notification to the legislature, the
139.3 commissioner may transfer this appropriation
139.4 to the commissioner of education.

139.5 (j) \$100,000 each year is for the getting to
139.6 work grant program. This is a onetime
139.7 appropriation and is available until June 30,
139.8 2021.

139.9 (k) \$525,000 each year is from the workforce
139.10 development fund for a grant to the YWCA
139.11 of Minneapolis to provide economically
139.12 challenged individuals the job skills training,
139.13 career counseling, and job placement
139.14 assistance necessary to secure a child
139.15 development associate credential and to have
139.16 a career path in early childhood education.
139.17 This is a onetime appropriation.

139.18 (l) \$1,350,000 each year is from the workforce
139.19 development fund for a grant to the Minnesota
139.20 High Tech Association to support
139.21 SciTechsperience, a program that supports
139.22 science, technology, engineering, and math
139.23 (STEM) internship opportunities for two- and
139.24 four-year college students and graduate
139.25 students in their field of study. The internship
139.26 opportunities must match students with paid
139.27 internships within STEM disciplines at small,
139.28 for-profit companies located in Minnesota,
139.29 having fewer than 250 employees worldwide.
139.30 At least 300 students must be matched in the
139.31 first year and at least 350 students must be
139.32 matched in the second year. No more than 15
139.33 percent of the hires may be graduate students.
139.34 Selected hiring companies shall receive from
139.35 the grant 50 percent of the wages paid to the

140.1 intern, capped at \$2,500 per intern. The
140.2 program must work toward increasing the
140.3 participation of women or other underserved
140.4 populations. This is a onetime appropriation.

140.5 (m) \$450,000 each year is from the workforce
140.6 development fund for grants to Minnesota
140.7 Diversified Industries, Inc. to provide
140.8 progressive development and employment
140.9 opportunities for people with disabilities. This
140.10 is a onetime appropriation.

140.11 (n) \$500,000 each year is from the workforce
140.12 development fund for a grant to Resource, Inc.
140.13 to provide low-income individuals career
140.14 education and job skills training that are fully
140.15 integrated with chemical and mental health
140.16 services. This is a onetime appropriation.

140.17 (o) \$750,000 each year is from the workforce
140.18 development fund for a grant to the Minnesota
140.19 Alliance of Boys and Girls Clubs to administer
140.20 a statewide project of youth job skills and
140.21 career development. This project, which may
140.22 have career guidance components including
140.23 health and life skills, is designed to encourage,
140.24 train, and assist youth in early access to
140.25 education and job-seeking skills, work-based
140.26 learning experience including career pathways
140.27 in STEM learning, career exploration and
140.28 matching, and first job placement through
140.29 local community partnerships and on-site job
140.30 opportunities. This grant requires a 25 percent
140.31 match from nonstate resources. This is a
140.32 onetime appropriation.

140.33 (p) \$215,000 each year is from the workforce
140.34 development fund for grants to Big Brothers,
140.35 Big Sisters of the Greater Twin Cities for

141.1 workforce readiness, employment exploration,
141.2 and skills development for youth ages 12 to
141.3 21. The grant must serve youth in the Twin
141.4 Cities, Central Minnesota, and Southern
141.5 Minnesota Big Brothers, Big Sisters chapters.
141.6 This is a onetime appropriation.

141.7 (q) \$250,000 each year is from the workforce
141.8 development fund for a grant to YWCA St.
141.9 Paul to provide job training services and
141.10 workforce development programs and
141.11 services, including job skills training and
141.12 counseling. This is a onetime appropriation.

141.13 (r) \$1,000,000 each year is from the workforce
141.14 development fund for a grant to EMERGE
141.15 Community Development, in collaboration
141.16 with community partners, for services
141.17 targeting Minnesota communities with the
141.18 highest concentrations of African and
141.19 African-American joblessness, based on the
141.20 most recent census tract data, to provide
141.21 employment readiness training, credentialed
141.22 training placement, job placement and
141.23 retention services, supportive services for
141.24 hard-to-employ individuals, and a general
141.25 education development fast track and adult
141.26 diploma program. This is a onetime
141.27 appropriation.

141.28 (s) \$1,000,000 each year is from the workforce
141.29 development fund for a grant to the
141.30 Minneapolis Foundation for a strategic
141.31 intervention program designed to target and
141.32 connect program participants to meaningful,
141.33 sustainable living-wage employment. This is
141.34 a onetime appropriation.

142.1 (t) \$750,000 each year is from the workforce
142.2 development fund for a grant to Latino
142.3 Communities United in Service (CLUES) to
142.4 expand culturally tailored programs that
142.5 address employment and education skill gaps
142.6 for working parents and underserved youth by
142.7 providing new job skills training to stimulate
142.8 higher wages for low-income people, family
142.9 support systems designed to reduce
142.10 intergenerational poverty, and youth
142.11 programming to promote educational
142.12 advancement and career pathways. At least
142.13 50 percent of this amount must be used for
142.14 programming targeted at greater Minnesota.
142.15 This is a onetime appropriation.

142.16 (u) \$600,000 each year is from the workforce
142.17 development fund for a grant to Ujamaa Place
142.18 for job training, employment preparation,
142.19 internships, education, training in the
142.20 construction trades, housing, and
142.21 organizational capacity building. This is a
142.22 onetime appropriation.

142.23 (v) \$1,297,000 in the first year and \$800,000
142.24 in the second year are from the workforce
142.25 development fund for performance grants
142.26 under Minnesota Statutes, section 116J.8747,
142.27 to Twin Cities R!SE to provide training to
142.28 hard-to-train individuals. Of the amounts
142.29 appropriated, \$497,000 in fiscal year 2018 is
142.30 for a grant to Twin Cities R!SE, in
142.31 collaboration with Metro Transit and Hennepin
142.32 Technical College for the Metro Transit
142.33 technician training program. This is a onetime
142.34 appropriation and funds are available until
142.35 June 30, 2020.

143.1 (w) \$230,000 in fiscal year 2018 is from the
143.2 workforce development fund for a grant to the
143.3 Bois Forte Tribal Employment Rights Office
143.4 (TERO) for an American Indian workforce
143.5 development training pilot project. This is a
143.6 onetime appropriation and is available until
143.7 June 30, 2019. Funds appropriated the first
143.8 year are available for use in the second year
143.9 of the biennium.

143.10 (x) \$40,000 in fiscal year 2018 is from the
143.11 workforce development fund for a grant to the
143.12 Cook County Higher Education Board to
143.13 provide educational programming and
143.14 academic support services to remote regions
143.15 in northeastern Minnesota. This appropriation
143.16 is in addition to other funds previously
143.17 appropriated to the board.

143.18 (y) \$250,000 each year is from the workforce
143.19 development fund for a grant to Bridges to
143.20 Healthcare to provide career education,
143.21 wraparound support services, and job skills
143.22 training in high-demand health care fields to
143.23 low-income parents, nonnative speakers of
143.24 English, and other hard-to-train individuals,
143.25 helping families build secure pathways out of
143.26 poverty while also addressing worker
143.27 shortages in one of Minnesota's most
143.28 innovative industries. Funds may be used for
143.29 program expenses, including, but not limited
143.30 to, hiring instructors and navigators; space
143.31 rental; and supportive services to help
143.32 participants attend classes, including assistance
143.33 with course fees, child care, transportation,
143.34 and safe and stable housing. In addition, up to
143.35 five percent of grant funds may be used for

144.1 Bridges to Healthcare's administrative costs.
144.2 This is a onetime appropriation and is
144.3 available until June 30, 2020.

144.4 (z) \$500,000 each year is from the workforce
144.5 development fund for a grant to the Nonprofits
144.6 Assistance Fund to provide capacity-building
144.7 grants to small, culturally specific
144.8 organizations that primarily serve historically
144.9 underserved cultural communities. Grants may
144.10 only be awarded to nonprofit organizations
144.11 that have an annual organizational budget of
144.12 less than \$500,000 and are culturally specific
144.13 organizations that primarily serve historically
144.14 underserved cultural communities. Grant funds
144.15 awarded must be used for:

144.16 (1) organizational infrastructure improvement,
144.17 including developing database management
144.18 systems and financial systems, or other
144.19 administrative needs that increase the
144.20 organization's ability to access new funding
144.21 sources;

144.22 (2) organizational workforce development,
144.23 including hiring culturally competent staff,
144.24 training and skills development, and other
144.25 methods of increasing staff capacity; or

144.26 (3) creation or expansion of partnerships with
144.27 existing organizations that have specialized
144.28 expertise in order to increase the capacity of
144.29 the grantee organization to improve services
144.30 for the community. Of this amount, up to five
144.31 percent may be used by the Nonprofits
144.32 Assistance Fund for administration costs and
144.33 providing technical assistance to potential
144.34 grantees. This is a onetime appropriation.

145.1 (aa) \$4,050,000 each year is from the
145.2 workforce development fund for the
145.3 Minnesota youth program under Minnesota
145.4 Statutes, sections 116L.56 and 116L.561.

145.5 (bb) \$1,000,000 each year is from the
145.6 workforce development fund for the
145.7 youthbuild program under Minnesota Statutes,
145.8 sections 116L.361 to 116L.366.

145.9 (cc) \$3,348,000 each year is from the
145.10 workforce development fund for the "Youth
145.11 at Work" youth workforce development
145.12 competitive grant program. Of this amount,
145.13 up to five percent is for administration and
145.14 monitoring of the youth workforce
145.15 development competitive grant program. All
145.16 grant awards shall be for two consecutive
145.17 years. Grants shall be awarded in the first year.

145.18 (dd) \$500,000 each year is from the workforce
145.19 development fund for the Opportunities
145.20 Industrialization Center programs.

145.21 (ee) \$750,000 each year is from the workforce
145.22 development fund for a grant to Summit
145.23 Academy OIC to expand its contextualized
145.24 GED and employment placement program.
145.25 This is a onetime appropriation.

145.26 (ff) \$500,000 each year is from the workforce
145.27 development fund for a grant to
145.28 Goodwill-Easter Seals Minnesota and its
145.29 partners. The grant shall be used to continue
145.30 the FATHER Project in Rochester, Park
145.31 Rapids, St. Cloud, Minneapolis, and the
145.32 surrounding areas to assist fathers in
145.33 overcoming barriers that prevent fathers from

146.1 supporting their children economically and
146.2 emotionally. This is a onetime appropriation.

146.3 (gg) \$150,000 each year is from the workforce
146.4 development fund for displaced homemaker
146.5 programs under Minnesota Statutes, section
146.6 116L.96. The commissioner shall distribute
146.7 the funds to existing nonprofit and state
146.8 displaced homemaker programs. This is a
146.9 onetime appropriation.

146.10 (hh)(1) \$150,000 in fiscal year 2018 is from
146.11 the workforce development fund for a grant
146.12 to Anoka County to develop and implement
146.13 a pilot program to increase competitive
146.14 employment opportunities for transition-age
146.15 youth ages 18 to 21.

146.16 (2) The competitive employment for
146.17 transition-age youth pilot program shall
146.18 include career guidance components, including
146.19 health and life skills, to encourage, train, and
146.20 assist transition-age youth in job-seeking
146.21 skills, workplace orientation, and job site
146.22 knowledge.

146.23 (3) In operating the pilot program, Anoka
146.24 County shall collaborate with schools,
146.25 disability providers, jobs and training
146.26 organizations, vocational rehabilitation
146.27 providers, and employers to build upon
146.28 opportunities and services, to prepare
146.29 transition-age youth for competitive
146.30 employment, and to enhance employer
146.31 connections that lead to employment for the
146.32 individuals served.

146.33 (4) Grant funds may be used to create an
146.34 on-the-job training incentive to encourage

147.1 employers to hire and train qualifying
147.2 individuals. A participating employer may
147.3 receive up to 50 percent of the wages paid to
147.4 the employee as a cost reimbursement for
147.5 on-the-job training provided.

147.6 (ii) \$500,000 each year is from the workforce
147.7 development fund for rural career counseling
147.8 coordinator positions in the workforce service
147.9 areas and for the purposes specified in
147.10 Minnesota Statutes, section 116L.667. The
147.11 commissioner of employment and economic
147.12 development, in consultation with local
147.13 workforce investment boards and local elected
147.14 officials in each of the service areas receiving
147.15 funds, shall develop a method of distributing
147.16 funds to provide equitable services across
147.17 workforce service areas.

147.18 (jj) In calendar year 2017, the public utility
147.19 subject to Minnesota Statutes, section
147.20 116C.779, must withhold \$1,000,000 from the
147.21 funds required to fulfill its financial
147.22 commitments under Minnesota Statutes,
147.23 section 116C.779, subdivision 1, and pay such
147.24 amounts to the commissioner of employment
147.25 and economic development for deposit in the
147.26 Minnesota 21st century fund under Minnesota
147.27 Statutes, section 116J.423.

147.28 (kk) \$350,000 in fiscal year 2018 is for a grant
147.29 to AccessAbility Incorporated to provide job
147.30 skills training to individuals who have been
147.31 released from incarceration for a felony-level
147.32 offense and are no more than 12 months from
147.33 the date of release. AccessAbility Incorporated
147.34 shall annually report to the commissioner on
147.35 how the money was spent and the results

148.1 achieved. The report must include, at a
 148.2 minimum, information and data about the
 148.3 number of participants; participant
 148.4 homelessness, employment, recidivism, and
 148.5 child support compliance; and training
 148.6 provided to program participants.

148.7 Sec. 8. Laws 2017, chapter 94, article 1, section 4, subdivision 3, is amended to read:

148.8			3,668,000
148.9	Subd. 3. Labor Standards and Apprenticeship	3,645,000	<u>3,868,000</u>

148.10	Appropriations by Fund		
148.11			1,790,000
148.12	General	1,776,000	<u>1,990,000</u>
148.13	Workforce		
148.14	Development	1,869,000	1,878,000

148.15 ~~(a) \$500,000 each year is from the general~~
 148.16 ~~fund in fiscal year 2018 and \$700,000 in fiscal~~
 148.17 year 2019 are for wage theft prevention under
 148.18 the division of labor standards.

148.19 (b) \$100,000 each year is from the workforce
 148.20 development fund for labor education and
 148.21 advancement program grants under Minnesota
 148.22 Statutes, section 178.11, to expand and
 148.23 promote registered apprenticeship training for
 148.24 minorities and women.

148.25 (c) \$300,000 each year is from the workforce
 148.26 development fund for the PIPELINE program.

148.27 (d) \$200,000 each year is from the workforce
 148.28 development fund for grants to the
 148.29 Construction Careers Foundation for the
 148.30 Helmets to Hardhats Minnesota initiative.
 148.31 Grant funds must be used to recruit, retain,
 148.32 assist, and support National Guard, reserve,
 148.33 and active duty military members' and
 148.34 veterans' participation into apprenticeship
 148.35 programs registered with the Department of

149.1 Labor and Industry and connect them with
 149.2 career training and employment in the building
 149.3 and construction industry. The recruitment,
 149.4 selection, employment, and training must be
 149.5 without discrimination due to race, color,
 149.6 creed, religion, national origin, sex, sexual
 149.7 orientation, marital status, physical or mental
 149.8 disability, receipt of public assistance, or age.
 149.9 This is a onetime appropriation.

149.10 (e) \$1,029,000 each year is from the workforce
 149.11 development fund for the apprenticeship
 149.12 program under Minnesota Statutes, chapter
 149.13 178.

149.14 (f) \$150,000 each year is from the workforce
 149.15 development fund for prevailing wage
 149.16 enforcement.

149.17 Sec. 9. Laws 2017, chapter 94, article 1, section 4, subdivision 5, is amended to read:

149.18	Subd. 5. General Support	6,239,000	6,539,000
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149.19	Appropriations by Fund		
149.20	Workforce		
149.21	Development Fund	200,000	500,000
149.22	Workers'		
149.23	Compensation	6,039,000	6,039,000

149.24 (a) Except as provided in paragraphs (b) and
 149.25 (c), this appropriation is from the workers'
 149.26 compensation fund.

149.27 (b) \$200,000 in fiscal year 2018 is from the
 149.28 workforce development fund for the
 149.29 commissioner of labor and industry to convene
 149.30 and collaborate with stakeholders as provided
 149.31 under Minnesota Statutes, section 175.46,
 149.32 subdivision 3, and to develop youth skills
 149.33 training competencies for approved
 149.34 occupations. This is a onetime appropriation.

150.1 (c) \$500,000 in fiscal year 2019 is from the
150.2 workforce development fund to administer the
150.3 youth skills training program under Minnesota
150.4 Statutes, section 175.46. The commissioner
150.5 shall award up to five grants each year to local
150.6 partnerships located throughout the state, not
150.7 to exceed \$100,000 per local partnership grant.
150.8 The commissioner may use a portion of this
150.9 appropriation for administration of the grant
150.10 program. The base amount for this program
150.11 is ~~\$500,000~~ \$750,000 each year beginning in
150.12 fiscal year 2020.

150.13 ARTICLE 6

150.14 ECONOMIC DEVELOPMENT

150.15 Section 1. Minnesota Statutes 2017 Supplement, section 298.227, is amended to read:

150.16 **298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

150.17 An amount equal to that distributed pursuant to each taconite producer's taxable
150.18 production and qualifying sales under section 298.28, subdivision 9a, shall be held by the
150.19 commissioner of Iron Range resources and rehabilitation in a separate taconite economic
150.20 development fund for each taconite and direct reduced ore producer. Money from the fund
150.21 for each producer shall be released by the commissioner after review by a joint committee
150.22 consisting of an equal number of representatives of the salaried employees and the
150.23 nonsalaried production and maintenance employees of that producer. The District 11 director
150.24 of the United States Steelworkers of America, on advice of each local employee president,
150.25 shall select the employee members. In nonorganized operations, the employee committee
150.26 shall be elected by the nonsalaried production and maintenance employees. The review
150.27 must be completed no later than six months after the producer presents a proposal for
150.28 expenditure of the funds to the committee. The funds held pursuant to this section may be
150.29 released only for workforce development ~~and associated public facility improvement,~~
150.30 concurrent reclamation, ~~or for acquisition of~~ plant and stationary mining equipment and
150.31 facilities for the producer or for research and development in Minnesota on new mining, or
150.32 taconite, iron, or steel production technology, but only if the producer provides a matching
150.33 expenditure equal to the amount of the distribution to be used for the same purpose ~~beginning~~
150.34 ~~with distributions in 2014. Effective for proposals for expenditures of money from the fund~~

151.1 ~~beginning May 26, 2007, the commissioner may not release the funds before the next~~
 151.2 ~~scheduled meeting of the board.~~ If a proposed expenditure is not approved by the
 151.3 commissioner, after consultation with the advisory board, the funds must be deposited in
 151.4 the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a taconite
 151.5 production facility is sold after operations at the facility had ceased, any money remaining
 151.6 in the fund for the former producer may be released to the purchaser of the facility on the
 151.7 terms otherwise applicable to the former producer under this section. If a producer fails to
 151.8 provide matching funds for a proposed expenditure within six months after the commissioner
 151.9 approves release of the funds, the funds ~~are available for release to another producer in~~
 151.10 ~~proportion to the distribution provided and under the conditions of this section~~ may be
 151.11 released by the commissioner for deposit in the taconite area environmental protection fund
 151.12 created in section 298.223. Any portion of the fund which is not released by the commissioner
 151.13 within one year of its deposit in the fund shall be ~~divided between~~ distributed to the taconite
 151.14 environmental protection fund ~~created in section 298.223 and the Douglas J. Johnson~~
 151.15 ~~economic protection trust fund created in section 298.292 for placement in their respective~~
 151.16 ~~special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite~~
 151.17 ~~environmental protection fund and one-third to the Douglas J. Johnson economic protection~~
 151.18 ~~trust fund.~~

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

151.20 Sec. 2. Minnesota Statutes 2016, section 298.28, subdivision 9a, is amended to read:

151.21 Subd. 9a. **Taconite economic development fund.** (a) 25.1 cents per ton for distributions
 151.22 in 2002 and thereafter must be paid to the taconite economic development fund. No
 151.23 distribution shall be made under this paragraph in 2004 or any subsequent year in which
 151.24 total industry production falls below 30 million tons. Distribution shall only be made to a
 151.25 Minnesota taconite pellet producer's fund under section 298.227 if the producer timely pays
 151.26 its tax under section 298.24 by the dates provided under section 298.27, or pursuant to the
 151.27 due dates provided by an administrative agreement with the commissioner.

151.28 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold
 151.29 in the form of pellet chips and fines not exceeding 5/16 inch in size and not including crushed
 151.30 pellets shall be paid to the taconite economic development fund. The amount paid shall not
 151.31 exceed \$700,000 annually for all ~~companies~~ Minnesota taconite pellet producers. If the
 151.32 initial amount to be paid to the fund exceeds this amount, each ~~company's~~ Minnesota taconite
 151.33 pellet producer's payment shall be prorated so the total does not exceed \$700,000.

151.34 **EFFECTIVE DATE.** This section is effective retroactively from December 31, 2016.

152.1 Sec. 3. **TRANSFER 2018 DISTRIBUTION ONLY.**

152.2 For the 2018 distribution, the fund established under Minnesota Statutes, section 298.28,
152.3 subdivision 7, shall receive ten cents per ton of any excess of the balance remaining after
152.4 distribution of amounts required under Minnesota Statutes, section 298.28, subdivision 6.

152.5 **EFFECTIVE DATE.** This section is effective for the 2018 distribution, and the transfer
152.6 must be made within ten days of the August 2018 payment.

152.7 Sec. 4. **DISLOCATED WORKER RAPID RESPONSE ACTIVITY.**

152.8 Notwithstanding anything to the contrary, of the money appropriated to the Job Skills
152.9 Partnership Board for the purposes of Minnesota Statutes, section 116L.17, under Minnesota
152.10 Statutes, section 116L.20, subdivision 2, at least \$650,000 in fiscal year 2019 must be used
152.11 for rapid response activities under Minnesota Statutes, section 116L.17, subdivision 10, to
152.12 address the substantial anticipated job losses at the Electrolux plant in St. Cloud. These
152.13 services shall be provided by Career Solutions. Grant funds may be used for, but are not
152.14 limited to, GED programs, English language courses, computer literacy efforts, and training
152.15 in the manufacturing and construction trades. In addition, the commissioner of employment
152.16 and economic development is directed to take all necessary steps, including application for
152.17 any required federal waivers, to begin providing services to affected workers before
152.18 December 31, 2018.

152.19 Sec. 5. **USE OF LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

152.20 Notwithstanding Minnesota Statutes, section 116J.8731, and any law to the contrary, a
152.21 home rule charter or statutory city, county, or town may, before July 1, 2018, commit money
152.22 received from the repayment of funds awarded under Minnesota Statutes, section 116J.8731,
152.23 to a business revolving loan fund partially funded by the federal government. Once
152.24 committed, funds may be used for any purpose allowed by the federal program.

152.25 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2007.

152.26 Sec. 6. **REVISOR'S INSTRUCTION; MIF NAME CHANGE TO N-SODA.**

152.27 In Minnesota Statutes, the revisor of statutes shall change the term "Minnesota investment
152.28 fund" to "North Star Opportunity and Development Account" wherever it is apparent from
152.29 context that the term "Minnesota investment fund" refers to the program under Minnesota
152.30 Statutes, section 116J.8731.

153.1

ARTICLE 7

153.2

ENERGY

153.3 Section 1. Minnesota Statutes 2017 Supplement, section 116C.779, subdivision 1, is
153.4 amended to read:

153.5 Subdivision 1. **Renewable development account.** (a) The renewable development
153.6 account is established as a separate account in the special revenue fund in the state treasury.
153.7 Appropriations and transfers to the account shall be credited to the account. Earnings, such
153.8 as interest, dividends, and any other earnings arising from assets of the account, shall be
153.9 credited to the account. Funds remaining in the account at the end of a fiscal year are not
153.10 canceled to the general fund but remain in the account until expended. The account shall
153.11 be administered by the commissioner of management and budget as provided under this
153.12 section.

153.13 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
153.14 plant must transfer all funds in the renewable development account previously established
153.15 under this subdivision and managed by the public utility to the renewable development
153.16 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
153.17 that have not yet been expended and unencumbered funds required to be paid in calendar
153.18 year 2017 under paragraphs (e) and (f) and (g), and sections 116C.7792 and 216C.41, are
153.19 not subject to transfer under this paragraph.

153.20 (c) ~~Except as provided in subdivision 1a,~~ Beginning January 15, 2018, and continuing
153.21 each January 15 thereafter, the public utility that owns the Prairie Island and Monticello
153.22 nuclear generating ~~plant~~ plants must transfer to the renewable development account \$500,000
153.23 ~~each year for each dry cask containing spent fuel that is located at the Prairie Island power~~
153.24 ~~plant for~~ \$20,000,000 each year ~~the either~~ plant is in operation, and ~~\$7,500,000 each year~~
153.25 ~~the plant is not in operation,~~ if ordered by the commission pursuant to paragraph ~~(i):~~ (h),
153.26 \$7,500,000 each year the Prairie Island plant is not in operation and \$5,250,000 each year
153.27 the Monticello plant is not in operation. The fund transfer must be made if nuclear waste is
153.28 stored in a dry cask at the independent spent-fuel storage facility at Prairie Island or
153.29 Monticello for any part of a year.

153.30 (d) ~~Except as provided in subdivision 1a, beginning January 15, 2018, and continuing~~
153.31 ~~each January 15 thereafter, the public utility that owns the Monticello nuclear generating~~
153.32 ~~plant must transfer to the renewable development account \$350,000 each year for each dry~~
153.33 ~~cask containing spent fuel that is located at the Monticello nuclear power plant for each~~
153.34 ~~year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered~~

154.1 ~~by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear~~
154.2 ~~waste is stored in a dry cask at the independent spent fuel storage facility at Monticello for~~
154.3 ~~any part of a year.~~

154.4 ~~(e)~~ (d) Each year, the public utility shall withhold from the funds transferred to the
154.5 renewable development account under ~~paragraphs~~ paragraph (c) ~~and (d)~~ the amount necessary
154.6 to pay its obligations under paragraphs (e), (f) and (g), (k), and (n), and sections 116C.7792
154.7 and 216C.41, for that calendar year.

154.8 ~~(f)~~ (e) If the commission approves a new or amended power purchase agreement, the
154.9 termination of a power purchase agreement, or the purchase and closure of a facility under
154.10 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
154.11 the public utility subject to this section shall enter into a contract with the city in which the
154.12 poultry litter plant is located to provide grants to the city for the purposes of economic
154.13 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
154.14 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
154.15 by the public utility from funds withheld from the transfer to the renewable development
154.16 account, as provided in paragraphs (b) and ~~(e)~~ (d).

154.17 ~~(g)~~ (f) If the commission approves a new or amended power purchase agreement, or the
154.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
154.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
154.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
154.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
154.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
154.23 30 days after the commission approves the new or amended power purchase agreement, or
154.24 the termination of the power purchase agreement, and on each June 1 thereafter through
154.25 2021, to assist the transition required by the new, amended, or terminated power purchase
154.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
154.27 to the renewable development account as provided in paragraphs (b) and ~~(e)~~ (d).

154.28 ~~(h)~~ (g) The collective amount paid under the grant contracts awarded under paragraphs
154.29 (e) and (f) ~~and (g)~~ is limited to the amount deposited into the renewable development account,
154.30 and its predecessor, the renewable development account, established under this section, that
154.31 was not required to be deposited into the account under Laws 1994, chapter 641, article 1,
154.32 section 10.

154.33 ~~(i)~~ (h) After discontinuation of operation of the Prairie Island nuclear plant or the
154.34 Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the

155.1 discontinued facility, the commission shall require the public utility to pay \$7,500,000 for
155.2 the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello
155.3 facility for any year in which the commission finds, by the preponderance of the evidence,
155.4 that the public utility did not make a good faith effort to remove the spent nuclear fuel stored
155.5 at the facility to a permanent or interim storage site out of the state. This determination shall
155.6 be made at least every two years.

155.7 (i) The public utility shall file annually with the commission a petition to recover all
155.8 funds required to be transferred or withheld under paragraphs (c) to (f) for the next year
155.9 through a rider mechanism. The commission shall approve a reasonable cost recovery
155.10 schedule for all such funds.

155.11 (j) On or before January 15 of each year, the public utility shall file a petition with the
155.12 commission setting forth the amounts withheld by the public utility the prior year under
155.13 paragraph (d) and the amount actually paid the prior year for obligations identified in
155.14 paragraph (d). If the amount actually paid is less than the amount withheld, the public utility
155.15 shall deduct the surplus from the amount withheld for the current year under paragraph (d).
155.16 If the amount actually paid is more than the amount withheld, the public utility shall add
155.17 the deficiency amount to the amount withheld for the current year under paragraph (d). Any
155.18 surplus remaining in the account after all programs identified in paragraph (d) are terminated
155.19 must be returned to the customers of the public utility.

155.20 ~~(j)~~ (k) Funds in the account may be expended only for any of the following purposes:

155.21 (1) to stimulate research and development of renewable electric energy technologies;

155.22 (2) to encourage grid modernization, including, but not limited to, projects that implement
155.23 electricity storage, load control, and smart meter technology; and

155.24 (3) to stimulate other innovative energy projects that reduce demand and increase system
155.25 efficiency and flexibility.

155.26 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
155.27 from the utility that owns a nuclear-powered electric generating plant in this state or the
155.28 Prairie Island Indian community or its members.

155.29 The utility that owns a nuclear generating plant is eligible to apply for grants under this
155.30 subdivision.

155.31 ~~(k)~~ (l) For the purposes of paragraph ~~(j)~~ (k), the following terms have the meanings
155.32 given:

156.1 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
156.2 (c), clauses (1), (2), (4), and (5); and

156.3 (2) "grid modernization" means:

156.4 (i) enhancing the reliability of the electrical grid;

156.5 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
156.6 and

156.7 (iii) increasing energy conservation opportunities by facilitating communication between
156.8 the utility and its customers through the use of two-way meters, control technologies, energy
156.9 storage and microgrids, technologies to enable demand response, and other innovative
156.10 technologies.

156.11 ~~(j)~~ (m) A renewable development account advisory group that includes, among others,
156.12 representatives of the public utility and its ratepayers, and includes at least one representative
156.13 of the Prairie Island Indian community appointed by that community's tribal council, shall
156.14 develop recommendations on account expenditures. Members of the advisory group shall
156.15 be chosen by the public utility. The advisory group must design a request for proposal and
156.16 evaluate projects submitted in response to a request for proposals. The advisory group must
156.17 utilize an independent third-party expert to evaluate proposals submitted in response to a
156.18 request for proposal, including all proposals made by the public utility. A request for proposal
156.19 for research and development under paragraph ~~(j)~~ (k), clause (1), may be limited to or include
156.20 a request to higher education institutions located in Minnesota for multiple projects authorized
156.21 under paragraph ~~(j)~~ (k), clause (1). The request for multiple projects may include a provision
156.22 that exempts the projects from the third-party expert review and instead provides for project
156.23 evaluation and selection by a merit peer review grant system. In the process of determining
156.24 request for proposal scope and subject and in evaluating responses to request for proposals,
156.25 the advisory group must strongly consider, where reasonable, potential benefit to Minnesota
156.26 citizens and businesses and the utility's ratepayers.

156.27 (n) The cost of acquiring the services of the independent third-party expert described in
156.28 paragraph (m) and any other reasonable costs incurred to administer the advisory group and
156.29 its actions as required by this section shall be paid from funds withheld by the public utility
156.30 under paragraph (d).

156.31 ~~(m)~~ (o) The advisory group shall submit funding recommendations to the public utility,
156.32 which has full and sole authority to determine which expenditures shall be submitted by
156.33 the advisory group to the ~~legislature~~ commission. The commission may approve proposed
156.34 expenditures, may disapprove proposed expenditures that it finds not to be in compliance

157.1 with this subdivision or otherwise not in the public interest, and may, if agreed to by the
157.2 public utility, modify proposed expenditures. The commission shall, by order, submit its
157.3 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (p).

157.4 ~~(n)~~ (p) The commission shall present its recommended appropriations from the account
157.5 to the senate and house of representatives committees with jurisdiction over energy policy
157.6 and finance annually by February 15. Expenditures from the account must be appropriated
157.7 by law. In enacting appropriations from the account, the legislature:

157.8 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
157.9 a project recommended by the commission; and

157.10 (2) may not appropriate money for a project the commission has not recommended
157.11 funding.

157.12 ~~(o)~~ (q) A request for proposal for renewable energy generation projects must, when
157.13 feasible and reasonable, give preference to projects that are most cost-effective for a particular
157.14 energy source.

157.15 ~~(p)~~ (r) The advisory group must annually, by February 15, report to the chairs and ranking
157.16 minority members of the legislative committees with jurisdiction over energy policy on
157.17 projects funded by the account under paragraph (k) for the prior year and all previous years.
157.18 The report must, to the extent possible and reasonable, itemize the actual and projected
157.19 financial benefit to the public utility's ratepayers of each project.

157.20 (s) By June 1, 2018, and each June 1 thereafter, the public utility that owns the Prairie
157.21 Island Nuclear Electric Generating Plant must submit to the commissioner of management
157.22 and budget an estimate of the amount the public utility will deposit into the account the
157.23 following January 15, based on the provisions of paragraphs (c) to (h) and any appropriations
157.24 made from the fund during the most recent legislative sessions.

157.25 ~~(q)~~ (t) By ~~February 1~~ June 30, 2018, and each ~~February 1~~ June 30 thereafter, the
157.26 commissioner of management and budget shall estimate the balance in the account as of
157.27 the following January 31, taking into account the balance in the account as of June 30 and
157.28 the information provided under paragraph (r). By July 15, 2018, and each July 15 thereafter,
157.29 the commissioner of management and budget shall submit a written report regarding the
157.30 availability of funds in and obligations of the account to the chairs and ranking minority
157.31 members of the senate and house committees with jurisdiction over energy policy and
157.32 finance, the public utility, and the advisory group. If more than \$15,000,000 is estimated
157.33 to be available in the account as of January 31, the advisory group must, by July 30, 2018,

158.1 and each July 30 thereafter, issue a request for proposals to initiate a grant cycle for the
158.2 purposes of paragraph (k).

158.3 ~~(t)~~ (u) A project receiving funds from the account must produce a written final report
158.4 that includes sufficient detail for technical readers and a clearly written summary for
158.5 nontechnical readers. The report must include an evaluation of the project's financial,
158.6 environmental, and other benefits to the state and the public utility's ratepayers.

158.7 ~~(s)~~ (v) Final reports, any mid-project status reports, and renewable development account
158.8 financial reports must be posted online on a public Web site designated by the commissioner
158.9 of commerce.

158.10 ~~(t)~~ (w) All final reports must acknowledge that the project was made possible in whole
158.11 or part by the Minnesota renewable development account, noting that the account is financed
158.12 by the public utility's ratepayers.

158.13 ~~(u)~~ (x) Of the amount in the renewable development account, priority must be given to
158.14 making the payments required under section 216C.417.

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

158.16 Sec. 2. Minnesota Statutes 2017 Supplement, section 116C.7792, is amended to read:

158.17 **116C.7792 SOLAR ENERGY INCENTIVE PROGRAM.**

158.18 The utility subject to section 116C.779 shall operate a program to provide solar energy
158.19 production incentives for solar energy systems of no more than a total aggregate nameplate
158.20 capacity of ~~20~~ 40 kilowatts direct current per premises. The owner of a solar energy system
158.21 installed before June 1, 2018, is eligible to receive a production incentive under this section
158.22 for any additional solar energy systems constructed at the same customer location, provided
158.23 the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.
158.24 The program shall be operated for eight consecutive calendar years commencing in 2014.
158.25 \$5,000,000 shall be allocated in each of the first four years, \$15,000,000 in the fifth year,
158.26 \$10,000,000 in each of the sixth and seventh years, and \$5,000,000 in the eighth year from
158.27 funds withheld from transfer to the renewable development account under section 116C.779,
158.28 subdivision 1, ~~paragraphs (b) and (c)~~ paragraph (d), and placed in a separate account for
158.29 the purpose of the solar production incentive program operated by the utility and not for
158.30 any other program or purpose. Any unspent amount allocated in the fifth year is available
158.31 until December 31 of the sixth year. Any unspent amount remaining at the end of an
158.32 allocation year must be transferred to the renewable development account or returned to
158.33 customers. The solar system must be sized to less than 120 percent of the customer's on-site

159.1 annual energy consumption when combined with other distributed generation resources and
159.2 subscriptions provided under section 216B.1641 associated with the premise. The production
159.3 incentive must be paid for ten years commencing with the commissioning of the system.
159.4 The utility must file a plan to operate the program with the commissioner of commerce.
159.5 The utility may not operate the program until it is approved by the commissioner. A change
159.6 to the program to include projects up to a nameplate capacity of 40 kilowatts or less does
159.7 not require the utility to file a plan with the commissioner. Any plan approved by the
159.8 commissioner of commerce must not provide an increased incentive scale over prior years
159.9 unless the commissioner demonstrates that changes in the market for solar energy facilities
159.10 require an increase.

159.11 **EFFECTIVE DATE.** This section is effective June 1, 2018.

159.12 Sec. 3. **[116C.7793] PRAIRIE ISLAND NET ZERO PROJECT.**

159.13 **Subdivision 1. Program established.** The Prairie Island Net Zero Project is established
159.14 with the goal of the Prairie Island Indian Community developing an energy system that
159.15 results in net zero emissions.

159.16 **Subd. 2. Grant.** The commissioner of employment and economic development shall
159.17 enter into a grant contract with the Prairie Island Indian Community to provide \$20,000,000
159.18 on July 1, 2018, and \$5,000,000 each year thereafter for four years to stimulate research,
159.19 development, and implementation of renewable energy projects benefitting the Prairie Island
159.20 Indian Community or its members.

159.21 **Subd. 3. Plan; report.** The Prairie Island Indian Community shall file a plan with the
159.22 commissioner of employment and economic development no later than July 1, 2019,
159.23 describing the Prairie Island Net Zero Project elements and implementation strategy. The
159.24 Prairie Island Indian Community shall file a report on July 1, 2020, and each July 1 thereafter
159.25 through 2023, describing the progress made in implementing the project and the use of
159.26 funds expended.

159.27 **Subd. 4. Appropriation.** Notwithstanding section 116C.779, subdivision 1, paragraph
159.28 (k), \$20,000,000 is appropriated in fiscal year 2019 and \$5,000,000 is appropriated each
159.29 year in fiscal years 2020, 2021, 2022, and 2023, from the renewable development account
159.30 under section 116C.779, subdivision 1, to the commissioner of employment and economic
159.31 development for a grant to the Prairie Island Indian Community for the purposes of this
159.32 section. Any funds remaining at the end of a fiscal year do not cancel to the renewable
159.33 development account but remain available until spent. This subdivision expires upon the
159.34 last transfer of funds to the commissioner.

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

160.2 Sec. 4. Minnesota Statutes 2016, section 216A.03, is amended by adding a subdivision to
160.3 read:

160.4 Subd. 10. **Offices.** The Public Utilities Commission's offices must be located in Virginia,
160.5 Minnesota.

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

160.7 Sec. 5. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision to
160.8 read:

160.9 Subd. 13a. **Pension rate base.** The commission must allow a public utility to include
160.10 in the rate base and recover from ratepayers the costs incurred to contribute to employee
160.11 pensions, including (1) accumulated contributions in excess of net periodic benefit costs,
160.12 and (2) contributions necessary to comply with the federal Pension Protection Act of 2006
160.13 and other applicable federal and state pension funding requirements. A public utility is
160.14 authorized to track for future recovery any unrecoverable return of pension rate base costs
160.15 and investments at the return on investment level established in the public utility's last
160.16 general rate case that have been incurred during the period between general rate cases.

160.17 Sec. 6. Minnesota Statutes 2017 Supplement, section 216B.164, subdivision 5, is amended
160.18 to read:

160.19 Subd. 5. **Dispute; resolution.** (a) In the event of ~~disputes~~ a dispute between a qualifying
160.20 facility and a public utility and a qualifying facility or a cooperative electric association that
160.21 has not elected to resolve disputes under subdivision 11, either party may request a
160.22 determination of the issue by the commission. In any such determination, the burden of
160.23 proof ~~shall be~~ is on the public utility or cooperative electric association. The commission
160.24 in its order resolving each such dispute shall require payments to the prevailing party of the
160.25 prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the
160.26 qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of
160.27 the public utility or cooperative electric association only if the commission finds that the
160.28 claims of the qualifying facility in the dispute have been made in bad faith, or are a sham,
160.29 or are frivolous.

160.30 (b) Notwithstanding subdivisions 9 and 11, a qualifying facility over 20 megawatts may,
160.31 until December 31, 2022, request that the commission resolve a dispute with any utility,
160.32 including a cooperative electric association or municipal utility, under paragraph (a).

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

161.2 Sec. 7. Minnesota Statutes 2017 Supplement, section 216B.1691, subdivision 2f, is amended
161.3 to read:

161.4 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
161.5 and 2b, each public utility shall generate or procure sufficient electricity generated by solar
161.6 energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at
161.7 least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is
161.8 generated by solar energy.

161.9 (b) For a public utility with more than 200,000 retail electric customers, at least ten
161.10 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
161.11 solar photovoltaic devices with a nameplate capacity of ~~20~~ 40 kilowatts or less.

161.12 (c) A public utility with between 50,000 and 200,000 retail electric customers:

161.13 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
161.14 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
161.15 less; and

161.16 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
161.17 of 40 kilowatts or less to a community solar garden program operated by the public utility
161.18 that has been approved by the commission.

161.19 (d) The solar energy standard established in this subdivision is subject to all the provisions
161.20 of this section governing a utility's standard obligation under subdivision 2a.

161.21 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
161.22 electric sales in Minnesota be generated by solar energy.

161.23 (f) For the purposes of calculating the total retail electric sales of a public utility under
161.24 this subdivision, there shall be excluded retail electric sales to customers that are:

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

161.27 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
161.28 manufacturer.

161.29 Those customers may not have included in the rates charged to them by the public utility
161.30 any costs of satisfying the solar standard specified by this subdivision.

162.1 (g) A public utility may not use energy used to satisfy the solar energy standard under
162.2 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
162.3 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
162.4 solar standard under this subdivision.

162.5 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
162.6 with a solar photovoltaic device installed and generating electricity in Minnesota after
162.7 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
162.8 under this subdivision.

162.9 (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file
162.10 a report with the commission reporting its progress in achieving the solar energy standard
162.11 established under this subdivision.

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

162.13 Sec. 8. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

162.14 **Subdivision 1. Qualifying facilities.** An existing large electric generating power plant,
162.15 as defined in section 216B.2421, subdivision 2, clause (1), employing nuclear technology
162.16 to generate electricity qualifies for designation as a carbon reduction facility as provided in
162.17 this section.

162.18 **Subd. 2. Proposal submission.** (a) A public utility may submit a proposal to the
162.19 commission for designation of a qualifying facility as a carbon reduction facility under this
162.20 section. The proposal must be filed within a public utility's new resource plan filing no
162.21 earlier than February 1, 2019. The proposal shall include:

162.22 (1) a showing that the facility meets the requirements of subdivision 1;

162.23 (2) a proposed statement of the total expected costs, including, but not limited to, capital
162.24 investments and operation and maintenance costs associated with the operation of the facility.
162.25 The total expected costs shall cover a period not to exceed the planning period of the public
162.26 utility's new resource plan;

162.27 (3) details about all costs currently included in rates, current operating costs if different
162.28 than those currently included in rates, and an evaluation of the utility's forecasted costs
162.29 prepared by an independent evaluator; and

162.30 (4) an analysis of how the proposed capital investments and operation and maintenance
162.31 costs would impact rates if that impact is different than any described in the utility's most
162.32 recently filed resource plan.

163.1 (b) If the information submitted in the original proposal changes because it was unknown
163.2 and not capable of being known at the time of the original proposal, a utility may at any
163.3 time file additional proposals for the same facility.

163.4 (c) The proposal may ask the commission to establish a sliding scale rate-of-return
163.5 mechanism for the capital investments to provide an additional incentive for the utility to
163.6 complete the project at or under the proposed costs.

163.7 Subd. 3. **Proposal approval.** (a) The commission shall approve, reject, or modify the
163.8 proposed designation of the facility and the total expected costs submitted by the public
163.9 utility. The commission shall make a final determination on the proposed designation
163.10 concurrent with its order in the resource plan, or sooner, should the commission determine
163.11 that it is in the public interest.

163.12 (b) When conducting the review in paragraph (a), the commission shall allow intervention
163.13 by the Department of Commerce, the Office of the Attorney General, ratepayer advocates,
163.14 the Prairie Island and Monticello communities, and other interested parties. The public
163.15 utility shall pay the costs of any nuclear expert retained by the Department of Commerce.

163.16 (c) To the extent the commission modifies the proposal, the utility may choose whether
163.17 to accept the modifications. If the utility does not accept the modifications, the commission
163.18 shall deem the proposal withdrawn.

163.19 (d) With respect to any carbon reduction facility, the approval shall constitute a finding
163.20 of prudence for the total expected costs contained in the proposal, meaning that the utility
163.21 shall be entitled to recover, through a subsequent rate case, any actual costs not in excess
163.22 of the total expected costs provided in its proposal for designation as a carbon reduction
163.23 facility.

163.24 (e) Upon approval of a proposed designation of a facility and the total expected costs
163.25 submitted by the utility, the utility shall provide biennial updates to the commission regarding
163.26 its progress with respect to adhering to the approved costs. The commission may issue
163.27 orders it deems necessary to ensure that the carbon reduction facility remains cost-effective
163.28 for customers and financially viable for the utility.

163.29 Sec. 9. **[216C.419] RESIDENTIAL BIOMASS HEATING SYSTEM GRANT**
163.30 **PROGRAM.**

163.31 Subdivision 1. **Definition.** For purposes of this section, the following definitions have
163.32 the meanings given.

164.1 (a) "Homeowner" means the owner of a residential homestead, as defined in section
164.2 273.124, subdivision 1, paragraph (a), or the owner of an agricultural homestead, as defined
164.3 in section 273.13, subdivision 23, paragraph (a).

164.4 (b) "Residential biomass heating system" means:

164.5 (1) a pellet stove or wood heater, as defined in Code of Federal Regulations, title 40,
164.6 section 60.531; or

164.7 (2) a residential forced-air furnace or residential hydronic heater, as defined in Code of
164.8 Federal Regulations, title 40, section 60.5473.

164.9 Subd. 2. **Establishment.** A grant program is established under the Department of
164.10 Commerce to award grants to homeowners to fund the purchase and installation of a
164.11 residential biomass heating system.

164.12 Subd. 3. **Eligible expenditures.** (a) Grants awarded to a homeowner under this section
164.13 may be used to pay up to the lesser of 33 percent of the cost to purchase and install a
164.14 residential biomass heating system in the homeowner's residence, or \$5,000.

164.15 (b) A grant must not be awarded under this section to a homeowner for a residential
164.16 biomass heating system that is not certified by the federal Environmental Protection Agency
164.17 as meeting the 2015 New Source Performance Standards for air emissions for these heating
164.18 systems, contained in Code of Federal Regulations, title 40, part 60, subparts AAA and
164.19 QQQQ, as applicable.

164.20 Subd. 4. **Application process.** A homeowner must submit an application to the
164.21 commissioner on a form prescribed by the commissioner. The commissioner must develop
164.22 administrative procedures governing the application and grant award process, and must
164.23 award grants on a first-come, first-served basis.

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

164.25 Sec. 10. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER REMOVAL**
164.26 **GRANT PROGRAM.**

164.27 Subdivision 1. **Establishment.** The Department of Commerce must establish a program
164.28 to:

164.29 (1) assist eligible local units of government collect and dispose of the wood waste created
164.30 when ash trees are removed from public land due to either (i) emerald ash borer infestation,
164.31 or (ii) an emerald ash borer management program;

165.1 (2) award grants to process the wood waste into usable biomass fuel, properly transport
165.2 the biomass fuel to an eligible district heating and cooling system cogeneration facility, and
165.3 use the biomass fuel to generate electricity and thermal energy; and

165.4 (3) reduce the biomass fuel costs passed through by an eligible heating and cooling
165.5 system cogeneration facility to the public utility that owns the Prairie Island nuclear
165.6 generating plant.

165.7 Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an
165.8 applicant must be a district heating and cooling system cogeneration facility that:

165.9 (1) is located in the city of St. Paul;

165.10 (2) operates as a nonprofit entity;

165.11 (3) accepts wood waste from a local unit of government that is:

165.12 (i) located within the service area of the public utility that is subject to section 116C.779;

165.13 (ii) located in a county or portion of a county that has been designated by the
165.14 commissioner of agriculture as quarantined with respect to the transportation of woody
165.15 materials from ash trees due to demonstrated emerald ash borer infestation; and

165.16 (iii) responsible for the removal of diseased ash trees from public lands within its
165.17 jurisdiction; and

165.18 (4) uses biomass fuel to generate electricity and thermal energy.

165.19 Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an
165.20 eligible recipient under subdivision 2 to:

165.21 (1) process into acceptable biomass fuel woody materials containing ash trees that have
165.22 been removed due to disease or implementation of an emerald ash borer management
165.23 program; or

165.24 (2) transport processed biomass fuel, woody materials infested by emerald ash borer,
165.25 and woody material removed under an emerald ash borer management program to a storage
165.26 location or to the district heating and cooling system cogeneration facility in downtown St.
165.27 Paul.

165.28 (b) Grant funds may be used to pay reasonable costs incurred by the Department of
165.29 Agriculture to administer this section.

165.30 (c) All funds awarded under paragraph (a) must reduce on a dollar-for-dollar basis the
165.31 charges billed by an eligible heating and cooling system cogeneration facility to the public

166.1 utility that owns the Prairie Island Nuclear Electric Generating Plant under the power
166.2 purchase agreement in effect on January 1, 2018. A heating and cooling system cogeneration
166.3 facility receiving a grant under this section must submit a monthly statement showing the
166.4 reduction in charges resulting from the requirement of this paragraph to the public utility
166.5 that owns the Prairie Island Nuclear Electric Generating Plant.

166.6 Subd. 4. **Expiration.** This section expires the day after the power purchase agreement
166.7 in effect on January 1, 2018, between an eligible heating and cooling system cogeneration
166.8 facility and the public utility that owns the Prairie Island Nuclear Electric Generating Plant
166.9 expires. This section does not extend or renew a power purchase agreement referenced in
166.10 this subdivision.

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

166.12 Sec. 11. Minnesota Statutes 2016, section 216E.03, subdivision 9, is amended to read:

166.13 Subd. 9. **Timing.** The commission shall make a final decision on an application within
166.14 60 days after receipt of the report of the administrative law judge. A final decision on the
166.15 request for a site permit or route permit shall be made within one year after the commission's
166.16 determination that an application is complete. The commission may extend this time limit
166.17 for up to ~~three months~~ 30 days for just cause or upon agreement of the applicant.

166.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
166.19 applies to any application filed with the commission on or after that date.

166.20 Sec. 12. Minnesota Statutes 2016, section 216E.04, subdivision 7, is amended to read:

166.21 Subd. 7. **Timing.** The commission shall make a final decision on an application within
166.22 60 days after completion of the public hearing. A final decision on the request for a site
166.23 permit or route permit under this section shall be made within six months after the
166.24 commission's determination that an application is complete. The commission may extend
166.25 this time limit for up to ~~three months~~ 30 days for just cause or upon agreement of the
166.26 applicant.

166.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and
166.28 applies to any application filed with the commission on or after that date.

166.29 Sec. 13. Laws 2017, chapter 94, article 10, section 28, is amended to read:

166.30 Sec. 28. **PROGRAM ADMINISTRATION; "MADE IN MINNESOTA" SOLAR**
166.31 **THERMAL REBATES.**

167.1 (a) No rebate may be paid under Minnesota Statutes 2016, section 216C.416, to an owner
167.2 of a solar thermal system whose application was approved by the commissioner of commerce
167.3 after the effective date of this act.

167.4 (b) Unspent money remaining in the account established under Minnesota Statutes 2014,
167.5 section 216C.416, as of July 2, 2017, must be transferred to the ~~C-LEAF~~ renewable
167.6 development account established under Minnesota Statutes 2016, section 116C.779,
167.7 subdivision 1.

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

167.9 Sec. 14. Laws 2017, chapter 94, article 10, section 29, is amended to read:

167.10 Sec. 29. **RENEWABLE DEVELOPMENT ACCOUNT; TRANSFER OF**
167.11 **UNEXPENDED GRANT FUNDS.**

167.12 (a) No later than 30 days after the effective date of this section, the utility subject to
167.13 Minnesota Statutes, section 116C.779, subdivision 1, must notify in writing each person
167.14 who received a grant funded from the renewable development account ~~previously~~ established
167.15 under that subdivision:

167.16 (1) after January 1, 2012; and

167.17 (2) before January 1, 2012, if the funded project remains incomplete as of the effective
167.18 date of this section.

167.19 The notice must contain the provisions of this section and instructions directing grant
167.20 recipients how unexpended funds can be transferred to the ~~clean energy advancement fund~~
167.21 renewable development account.

167.22 (b) A recipient of a grant from the renewable development account ~~previously~~ established
167.23 under Minnesota Statutes, section 116C.779, subdivision 1, must, no later than 30 days after
167.24 receiving the notice required under paragraph (a), transfer any grant funds that remain
167.25 unexpended as of the effective date of this section to the ~~clean energy advancement fund~~
167.26 renewable development account if, by that effective date, all of the following conditions
167.27 are met:

167.28 (1) the grant was awarded more than five years before the effective date of this section;

167.29 (2) the grant recipient has failed to obtain control of the site on which the project is to
167.30 be constructed;

167.31 (3) the grant recipient has failed to secure all necessary permits or approvals from any
167.32 unit of government with respect to the project; and

168.1 (4) construction of the project has not begun.

168.2 (c) A recipient of a grant from the renewable development account ~~previously~~ established
168.3 under Minnesota Statutes, section 116C.779, subdivision 1, must transfer any grant funds
168.4 that remain unexpended five years after the grant funds are received by the grant recipient
168.5 if, by that date, the conditions in paragraph (b), clauses (2) to (4), have been met. The grant
168.6 recipient must transfer the unexpended funds no later than 30 days after the fifth anniversary
168.7 of the receipt of the grant funds.

168.8 (d) A person who transfers funds to the ~~clean energy advancement fund~~ renewable
168.9 development account under this section is eligible to apply for funding from the ~~clean energy~~
168.10 ~~advancement fund~~ renewable development account.

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

168.12 Sec. 15. **REPEALER.**

168.13 Minnesota Statutes 2016, section 216B.2423, is repealed.

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

168.15 **ARTICLE 8**

168.16 **HOUSING**

168.17 Section 1. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
168.18 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

168.19 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
168.20 new construction or remodeling of any building subject to the Minnesota Residential Code.

168.21 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if
168.22 implementation of a proposed rule, or any portion of a proposed rule, will, on average,
168.23 increase the cost of residential construction or remodeling by \$1,000 or more per unit, and
168.24 whether the proposed rule meets the state regulatory policy objectives described in section
168.25 14.002. In calculating the cost of implementing a proposed rule, the agency may consider
168.26 the impact of other related proposed rules on the overall cost of residential construction. If
168.27 applicable, the agency may include offsetting savings that may be achieved through
168.28 implementation of related proposed rules in its calculation under this subdivision.

168.29 (b) The agency must make the determination required by paragraph (a) before the close
168.30 of the hearing record, or before the agency submits the record to the administrative law
168.31 judge if there is no hearing. Upon request of a party affected by the proposed rule, the

169.1 administrative law judge must review and approve or disapprove an agency's determination
169.2 under this subdivision.

169.3 Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the
169.4 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or
169.5 if the administrative law judge separately confirms the cost of any portion of a rule exceeds
169.6 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair
169.7 and ranking minority members of the policy committees of the legislature with jurisdiction
169.8 over the subject matter of the proposed rule within ten days of the determination. The agency
169.9 shall not adopt the proposed rule until after the adjournment of the next annual session of
169.10 the legislature convened on or after the date that notice required in this subdivision is given
169.11 to the chairs and ranking minority members.

169.12 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to
169.13 administrative rules proposed on or after that date.

169.14 Sec. 2. Minnesota Statutes 2016, section 299D.085, is amended by adding a subdivision
169.15 to read:

169.16 Subd. 3a. **Trailer use.** A vehicle or a combination of vehicles may tow a trailer during
169.17 the movement of an overdimensional load if:

169.18 (1) the party involved is a building mover licensed by the commissioner of transportation
169.19 under section 221.81;

169.20 (2) the building being moved is not a temporary structure;

169.21 (3) the overdimensional load is a manufactured home, as defined under section 327.31;
169.22 or

169.23 (4) the overdimensional load is a modular home, as defined under section 297A.668,
169.24 subdivision 8, paragraph (b).

169.25 Sec. 3. Minnesota Statutes 2016, section 326B.815, subdivision 1, is amended to read:

169.26 Subdivision 1. **Fees.** (a) For the purposes of calculating fees under section 326B.092,
169.27 an initial or renewed residential contractor, residential remodeler, or residential roofer license
169.28 is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured
169.29 home installers under section 327B.041 is ~~\$300~~ \$180 for a three-year period.

170.1 (b) All initial and renewal licenses, except for manufactured home installer licenses,
170.2 shall be effective for two years and shall expire on March 31 of the year after the year in
170.3 which the application is made.

170.4 (c) The commissioner shall in a manner determined by the commissioner, without the
170.5 need for any rulemaking under chapter 14, phase in the renewal of residential contractor,
170.6 residential remodeler, and residential roofer licenses from one year to two years. By June
170.7 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer
170.8 licenses shall be two-year licenses.

170.9 Sec. 4. Minnesota Statutes 2016, section 327.31, is amended by adding a subdivision to
170.10 read:

170.11 Subd. 23. **Modular home.** "Modular home" means a building or structural unit of closed
170.12 construction that has been substantially manufactured or constructed, in whole or in part,
170.13 at an off-site location, with the final assembly occurring on site alone or with other units
170.14 and attached to a foundation designed to the State Building Code and occupied as a
170.15 single-family dwelling. Modular home construction must comply with applicable standards
170.16 adopted in Minnesota Rules, chapter 1360 or 1361.

170.17 Sec. 5. **[327.335] PLACEMENT OF MODULAR HOMES.**

170.18 Notwithstanding any other law or ordinance to the contrary, a modular home may be
170.19 placed in a manufactured home park as defined in section 327.14, subdivision 3. A modular
170.20 home placed in a manufactured home park is a manufactured home for purposes of chapters
170.21 327C and 504B and all rights, obligations, and duties, under those chapters apply. A modular
170.22 home may not be placed in a manufactured home park without prior written approval of the
170.23 park owner. Nothing in this section shall be construed to inhibit the application of zoning,
170.24 subdivision, architectural, or esthetic requirements under chapters 394 and 462 that otherwise
170.25 apply to manufactured homes or manufactured home parks. A modular home placed in a
170.26 manufactured home park under this section shall be assessed and taxed as a manufactured
170.27 home.

170.28 Sec. 6. Minnesota Statutes 2016, section 327B.041, is amended to read:

170.29 **327B.041 MANUFACTURED HOME INSTALLERS.**

170.30 (a) Manufactured home installers are subject to all of the fees in section 326B.092 and
170.31 the requirements of sections 326B.802 to 326B.885, except for the following:

171.1 (1) manufactured home installers are not subject to the continuing education requirements
171.2 of sections 326B.0981, 326B.099, and 326B.821, but are subject to the continuing education
171.3 requirements established in rules adopted under section 327B.10;

171.4 (2) the examination requirement of section 326B.83, subdivision 3, for manufactured
171.5 home installers shall be satisfied by successful completion of a written examination
171.6 administered and developed specifically for the examination of manufactured home installers.
171.7 The examination must be administered and developed by the commissioner. The
171.8 commissioner and the state building official shall seek advice on the grading, monitoring,
171.9 and updating of examinations from the Minnesota Manufactured Housing Association;

171.10 (3) a local government unit may not place a surcharge on a license fee, and may not
171.11 charge a separate fee to installers;

171.12 (4) a dealer or distributor who does not install or repair manufactured homes is exempt
171.13 from licensure under sections 326B.802 to 326B.885;

171.14 (5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply;
171.15 and

171.16 (6) manufactured home installers are not subject to the contractor recovery fund in
171.17 section 326B.89.

171.18 (b) The commissioner may waive all or part of the requirements for licensure as a
171.19 manufactured home installer for any individual who holds an unexpired license or certificate
171.20 issued by any other state or other United States jurisdiction if the licensing requirements of
171.21 that jurisdiction meet or exceed the corresponding licensing requirements of the department
171.22 and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. ~~For the~~
171.23 ~~purposes of calculating fees under section 326B.092, licensure as a manufactured home~~
171.24 ~~installer is a business license.~~

171.25 Sec. 7. Minnesota Statutes 2016, section 327C.095, subdivision 4, is amended to read:

171.26 Subd. 4. **Public hearing; relocation compensation; neutral third party.** The governing
171.27 body of the affected municipality shall hold a public hearing to review the closure statement
171.28 and any impact that the park closing may have on the displaced residents and the park owner.
171.29 At the time of, and in the notice for, the public hearing, displaced residents must be informed
171.30 that they may be eligible for payments from the Minnesota manufactured home relocation
171.31 trust fund under section 462A.35 as compensation for reasonable relocation costs under
171.32 subdivision 13, paragraphs (a) and (e).

172.1 The governing body of the municipality may also require that other parties, including
172.2 the municipality, but excluding the park owner or its purchaser, involved in the park closing
172.3 provide additional compensation to residents to mitigate the adverse financial impact of the
172.4 park closing upon the residents.

172.5 At the public hearing, the municipality shall appoint a qualified neutral third party, to
172.6 be agreed upon by both the manufactured home park owner and manufactured home owners,
172.7 whose hourly cost must be reasonable and paid from the Minnesota manufactured home
172.8 relocation trust fund. The neutral third party shall act as a paymaster and arbitrator, with
172.9 decision-making authority to resolve any questions or disputes regarding any contributions
172.10 or disbursements to and from the Minnesota manufactured home relocation trust fund by
172.11 either the manufactured home park owner or the manufactured home owners. If the parties
172.12 cannot agree on a neutral third party, the municipality will ~~make a determination~~ determine
172.13 who shall act as the neutral third party.

172.14 The qualified neutral third party shall be familiar with manufactured housing and the
172.15 requirements of this section. The neutral third party shall keep an overall receipts and cost
172.16 summary together with a detailed accounting, for each manufactured lot, of the payments
172.17 received by the manufactured home park owner, and expenses approved and payments
172.18 disbursed to the manufactured home owners, pursuant to subdivisions 12 and 13, as well
172.19 as a record of all services and hours it provided and at what hourly rate it charged to the
172.20 Minnesota manufactured home trust fund. This detailed accounting shall be provided to the
172.21 manufactured home park owner, the municipality, and the Minnesota Housing Finance
172.22 Agency to be included in its yearly October 15 report as required in subdivision 13, paragraph
172.23 (h), not later than 30 days after the expiration of the nine-month notice provided in the
172.24 closure statement.

172.25 Sec. 8. Minnesota Statutes 2016, section 327C.095, subdivision 6, is amended to read:

172.26 Subd. 6. **Intent to convert use of park at time of purchase.** Before the execution of
172.27 an agreement to purchase a manufactured home park, the purchaser must notify the park
172.28 owner, in writing, if the purchaser intends to close the manufactured home park or convert
172.29 it to another use within one year of the execution of the agreement. The park owner shall
172.30 provide a resident of each manufactured home with a 45-day written notice of the purchaser's
172.31 intent to close the park or convert it to another use. The notice must state that the park owner
172.32 will provide information on the cash price and the terms and conditions of the purchaser's
172.33 offer to residents requesting the information. The notice must be sent by first class mail to
172.34 a resident of each manufactured home in the park. The notice period begins on the postmark

173.1 date affixed to the notice and ends 45 days after it begins. During the notice period required
173.2 in this subdivision, the owners of at least 51 percent of the manufactured homes in the park
173.3 or a nonprofit organization which has the written permission of the owners of at least 51
173.4 percent of the manufactured homes in the park to represent them in the acquisition of the
173.5 park shall have the right to meet the cash price and execute an agreement to purchase the
173.6 park for the purposes of keeping the park as a manufactured housing community, provided
173.7 that the owners or nonprofit organization will covenant and warrant to the park owner in
173.8 the agreement that they will continue to operate the park for not less than six years from
173.9 the date of closing. The park owner must accept the offer if it meets the cash price and the
173.10 same terms and conditions set forth in the purchaser's offer except that the seller is not
173.11 obligated to provide owner financing. For purposes of this section, cash price means the
173.12 cash price offer or equivalent cash offer as defined in section 500.245, subdivision 1,
173.13 paragraph (d).

173.14 Sec. 9. Minnesota Statutes 2016, section 327C.095, subdivision 12, is amended to read:

173.15 Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a)
173.16 If a manufactured home owner is required to move due to the conversion of all or a portion
173.17 of a manufactured home park to another use, the closure of a park, or cessation of use of
173.18 the land as a manufactured home park, the manufactured park owner shall, upon the change
173.19 in use, pay to the commissioner of management and budget for deposit in the Minnesota
173.20 manufactured home relocation trust fund under section 462A.35, the lesser amount of the
173.21 actual costs of moving or purchasing the manufactured home approved by the neutral third
173.22 party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph
173.23 (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each
173.24 multisection manufactured home, for which a manufactured home owner has made
173.25 application for payment of relocation costs under subdivision 13, paragraph (c). The
173.26 manufactured home park owner shall make payments required under this section to the
173.27 Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice
173.28 from the neutral third party.

173.29 (b) A manufactured home park owner is not required to make the payment prescribed
173.30 under paragraph (a), nor is a manufactured home owner entitled to compensation under
173.31 subdivision 13, paragraph (a) or (e), if:

173.32 (1) the manufactured home park owner relocates the manufactured home owner to
173.33 another space in the manufactured home park or to another manufactured home park at the
173.34 park owner's expense;

174.1 (2) the manufactured home owner is vacating the premises and has informed the
174.2 manufactured home park owner or manager of this prior to the mailing date of the closure
174.3 statement under subdivision 1;

174.4 (3) a manufactured home owner has abandoned the manufactured home, or the
174.5 manufactured home owner is not current on the monthly lot rental, personal property taxes;

174.6 (4) the manufactured home owner has a pending eviction action for nonpayment of lot
174.7 rental amount under section 327C.09, which was filed against the manufactured home owner
174.8 prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery
174.9 has been ordered by the district court;

174.10 (5) the conversion of all or a portion of a manufactured home park to another use, the
174.11 closure of a park, or cessation of use of the land as a manufactured home park is the result
174.12 of a taking or exercise of the power of eminent domain by a governmental entity or public
174.13 utility; or

174.14 (6) the owner of the manufactured home is not a resident of the manufactured home
174.15 park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home
174.16 is a resident, but came to reside in the manufactured home park after the mailing date of
174.17 the closure statement under subdivision 1.

174.18 (c) If the unencumbered fund balance in the manufactured home relocation trust fund
174.19 is less than ~~\$1,000,000~~ \$3,000,000 as of June 30 of each year, the commissioner of
174.20 management and budget shall assess each manufactured home park owner by mail the total
174.21 amount of \$15 for each licensed lot in their park, payable on or before ~~September~~ November
174.22 15 of that year. The commissioner of management Failure to notify and budget shall deposit
174.23 any payments in the Minnesota timely assess the manufactured home relocation trust fund.
174.24 On or before July 15 of park owner by August 30 of any year shall waive the assessment
174.25 and payment obligations of the manufactured home park owner for that year. Together with
174.26 said assessment notice, each year; the commissioner of management and budget shall prepare
174.27 and distribute to park owners a letter explaining whether funds are being collected for that
174.28 year, information about the collection, an invoice for all licensed lots, and a sample form
174.29 for the park owners to collect information on which park residents have been accounted
174.30 for. If assessed under this paragraph, the park owner may recoup the cost of the \$15
174.31 assessment as a lump sum or as a monthly fee of no more than \$1.25 collected from park
174.32 residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park
174.33 owners may adjust payment for lots in their park that are vacant or otherwise not eligible
174.34 for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b),

175.1 and, for park residents who have not paid the \$15 assessment to the park owner by October
175.2 15, deduct from the assessment accordingly. The commissioner of management and budget
175.3 shall deposit any payments in the Minnesota manufactured home relocation trust fund.

175.4 (d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by
175.5 the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action
175.6 in a court of appropriate jurisdiction. The court may award a prevailing party reasonable
175.7 attorney fees, court costs, and disbursements.

175.8 Sec. 10. Minnesota Statutes 2016, section 327C.095, subdivision 13, is amended to read:

175.9 Subd. 13. **Change in use, relocation expenses; payments by park owner.** (a) If a
175.10 manufactured home owner is required to relocate due to the conversion of all or a portion
175.11 of a manufactured home park to another use, the closure of a manufactured home park, or
175.12 cessation of use of the land as a manufactured home park under subdivision 1, and the
175.13 manufactured home owner complies with the requirements of this section, the manufactured
175.14 home owner is entitled to payment from the Minnesota manufactured home relocation trust
175.15 fund equal to the manufactured home owner's actual relocation costs for relocating the
175.16 manufactured home to a new location within a ~~25-mile~~ 50-mile radius of the park that is
175.17 being closed, up to a maximum of ~~\$7,000~~ \$9,000 for a single-section and \$12,500 for a
175.18 multisection manufactured home. The actual relocation costs must include the reasonable
175.19 cost of taking down, moving, and setting up the manufactured home, including equipment
175.20 rental, utility connection and disconnection charges, minor repairs, modifications necessary
175.21 for transportation of the home, necessary moving permits and insurance, moving costs for
175.22 any appurtenances, which meet applicable local, state, and federal building and construction
175.23 codes.

175.24 (b) A manufactured home owner is not entitled to compensation under paragraph (a) if
175.25 the manufactured home park owner is not required to make a payment to the Minnesota
175.26 manufactured home relocation trust fund under subdivision 12, paragraph (b).

175.27 (c) Except as provided in paragraph (e), in order to obtain payment from the Minnesota
175.28 manufactured home relocation trust fund, the manufactured home owner shall submit to the
175.29 neutral third party and the Minnesota Housing Finance Agency, with a copy to the park
175.30 owner, an application for payment, which includes:

175.31 (1) a copy of the closure statement under subdivision 1;

175.32 (2) a copy of the contract with a moving or towing contractor, which includes the
175.33 relocation costs for relocating the manufactured home;

176.1 (3) a statement with supporting materials of any additional relocation costs as outlined
176.2 in subdivision 1;

176.3 (4) a statement certifying that none of the exceptions to receipt of compensation under
176.4 subdivision 12, paragraph (b), apply to the manufactured home owner;

176.5 (5) a statement from the manufactured park owner that the lot rental is current and that
176.6 the annual \$15 ~~payments~~ payment to the Minnesota manufactured home relocation trust
176.7 fund ~~have~~ has been paid when due; and

176.8 (6) a statement from the county where the manufactured home is located certifying that
176.9 personal property taxes for the manufactured home are paid through the end of that year.

176.10 (d) The neutral third party shall promptly process all payments within 14 days. If the
176.11 neutral third party has acted reasonably and does not approve or deny payment within 45
176.12 days after receipt of the information set forth in paragraph (c), the payment is deemed
176.13 approved. Upon approval and request by the neutral third party, the Minnesota Housing
176.14 Finance Agency shall issue two checks in equal amount for 50 percent of the contract price
176.15 payable to the mover and towing contractor for relocating the manufactured home in the
176.16 amount of the actual relocation cost, plus a check to the home owner for additional certified
176.17 costs associated with third-party vendors, that were necessary in relocating the manufactured
176.18 home. The moving or towing contractor shall receive 50 percent upon execution of the
176.19 contract and 50 percent upon completion of the relocation and approval by the manufactured
176.20 home owner. The moving or towing contractor may not apply the funds to any other purpose
176.21 other than relocation of the manufactured home as provided in the contract. A copy of the
176.22 approval must be forwarded by the neutral third party to the park owner with an invoice for
176.23 payment of the amount specified in subdivision 12, paragraph (a).

176.24 (e) In lieu of collecting a relocation payment from the Minnesota manufactured home
176.25 relocation trust fund under paragraph (a), the manufactured home owner may collect an
176.26 amount from the fund after reasonable efforts to relocate the manufactured home have failed
176.27 due to the age or condition of the manufactured home, or because there are no manufactured
176.28 home parks willing or able to accept the manufactured home within a 25-mile radius. A
176.29 manufactured home owner may tender title of the manufactured home in the manufactured
176.30 home park to the manufactured home park owner, and collect an amount to be determined
176.31 by an independent appraisal. The appraiser must be agreed to by both the manufactured
176.32 home park owner and the manufactured home owner. If the appraised market value cannot
176.33 be determined, the tax market value, averaged over a period of five years, can be used as a
176.34 substitute. The maximum amount that may be reimbursed under the fund is \$8,000 for a

177.1 single-section and \$14,500 for a multisection manufactured home. The minimum amount
177.2 that may be reimbursed under the fund is \$2,000 for a single section and \$4,000 for a
177.3 multisection manufactured home. The manufactured home owner shall deliver to the
177.4 manufactured home park owner the current certificate of title to the manufactured home
177.5 duly endorsed by the owner of record, and valid releases of all liens shown on the certificate
177.6 of title, and a statement from the county where the manufactured home is located evidencing
177.7 that the personal property taxes have been paid. The manufactured home owner's application
177.8 for funds under this paragraph must include a document certifying that the manufactured
177.9 home cannot be relocated, that the lot rental is current, that the annual \$15 payments to the
177.10 Minnesota manufactured home relocation trust fund have been paid when due, that the
177.11 manufactured home owner has chosen to tender title under this section, and that the park
177.12 owner agrees to make a payment to the commissioner of management and budget in the
177.13 amount established in subdivision 12, paragraph (a), less any documented costs submitted
177.14 to the neutral third party, required for demolition and removal of the home, and any debris
177.15 or refuse left on the lot, not to exceed ~~\$1,000~~ \$3,000. The manufactured home owner must
177.16 also provide a copy of the certificate of title endorsed by the owner of record, and certify
177.17 to the neutral third party, with a copy to the park owner, that none of the exceptions to
177.18 receipt of compensation under subdivision 12, paragraph (b), clauses (1) to (6), apply to the
177.19 manufactured home owner, and that the home owner will vacate the home within 60 days
177.20 after receipt of payment or the date of park closure, whichever is earlier, provided that the
177.21 monthly lot rent is kept current.

177.22 (f) The Minnesota Housing Finance Agency must make a determination of the amount
177.23 of payment a manufactured home owner would have been entitled to under a local ordinance
177.24 in effect on May 26, 2007. Notwithstanding paragraph (a), the manufactured home owner's
177.25 compensation for relocation costs from the fund under section 462A.35, is the greater of
177.26 the amount provided under this subdivision, or the amount under the local ordinance in
177.27 effect on May 26, 2007, that is applicable to the manufactured home owner. Nothing in this
177.28 paragraph is intended to increase the liability of the park owner.

177.29 (g) Neither the neutral third party nor the Minnesota Housing Finance Agency shall be
177.30 liable to any person for recovery if the funds in the Minnesota manufactured home relocation
177.31 trust fund are insufficient to pay the amounts claimed. The Minnesota Housing Finance
177.32 Agency shall keep a record of the time and date of its approval of payment to a claimant.

177.33 (h)(1) By October 15, 2018, the Minnesota Housing Finance Agency shall post on its
177.34 Web site and report to the chairs of the senate Finance Committee and house of
177.35 representatives Ways and Means Committee on the Minnesota manufactured home relocation

178.1 trust fund, including the account balance, payments to claimants, the amount of any advances
178.2 to the fund, the amount of any insufficiencies encountered during the previous calendar
178.3 year, and any itemized administrative charges or expenses deducted from the trust fund
178.4 balance. If sufficient funds become available, the Minnesota Housing Finance Agency shall
178.5 pay the manufactured home owner whose unpaid claim is the earliest by time and date of
178.6 approval.

178.7 (2) Beginning in 2019, the Minnesota Housing Finance Agency shall post on its Web
178.8 site and report to the chairs of the senate Finance Committee and house of representatives
178.9 Ways and Means Committee by ~~January~~ October 15 of each year on the Minnesota
178.10 manufactured home relocation trust fund, including the aggregate account balance, the
178.11 aggregate assessment payments received, summary information regarding each closed park
178.12 including the total payments to claimants and payments received from each closed park,
178.13 the amount of any advances to the fund, the amount of any insufficiencies encountered
178.14 during the previous ~~calendar~~ fiscal year, reports of neutral third parties provided pursuant
178.15 to subdivision 4, and any itemized administrative charges or expenses deducted from the
178.16 trust fund balance, all of which should be reconciled to the previous year's trust fund balance.
178.17 If sufficient funds become available, the Minnesota Housing Finance Agency shall pay the
178.18 manufactured home owner whose unpaid claim is the earliest by time and date of approval.

178.19 Sec. 11. Minnesota Statutes 2016, section 327C.095, is amended by adding a subdivision
178.20 to read:

178.21 Subd. 16. **Reporting of licensed manufactured home parks.** The Department of Health
178.22 or, if applicable, local units of government that have entered into a delegation of authority
178.23 agreement with the Department of Health as provided in section 145A.07 shall provide, by
178.24 March 31 of each year, a list of names and addresses of the manufactured home parks
178.25 licensed in the previous year, and for each manufactured home park, the current licensed
178.26 owner, the owner's address, the number of licensed manufactured home lots, and other data
178.27 as they may request for the Department of Management and Budget to invoice each licensed
178.28 manufactured home park in Minnesota.

178.29 Sec. 12. Minnesota Statutes 2016, section 462A.222, subdivision 3, is amended to read:

178.30 Subd. 3. **Allocation procedure.** (a) Projects will be awarded tax credits in two
178.31 competitive rounds on an annual basis. The date for applications for each round must be
178.32 determined by the agency. No allocating agency may award tax credits prior to the application
178.33 dates established by the agency.

179.1 (b) Each allocating agency must meet the requirements of section 42(m) of the Internal
179.2 Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax
179.3 credits and the selection of projects.

179.4 (c) For projects that are eligible for an allocation of credits pursuant to section 42(h)(4)
179.5 of the Internal Revenue Code of 1986, as amended, tax credits may only be allocated if the
179.6 project satisfies the requirements of the allocating agency's qualified allocation plan. For
179.7 projects that are eligible for an allocation of credits pursuant to section 42(h)(4) of the
179.8 Internal Revenue Code of 1986, as amended, for which the agency is the issuer of the bonds
179.9 for the project, or the issuer of the bonds for the project is located outside the jurisdiction
179.10 of a city or county that has received reserved tax credits, the applicable allocation plan is
179.11 the agency's qualified allocation plan. Notwithstanding this paragraph, any projects that are
179.12 eligible for an allocation of credits pursuant to section 42(h)(4) of the Internal Revenue
179.13 Code of 1986, as amended, for which the Minnesota Housing Finance Agency is the issuer
179.14 of the bonds for the project, or the issuer of the bonds for the project is located outside the
179.15 jurisdiction of a city or county that has received reserved tax credits, and such project meets
179.16 the requirements of both section 474A.047 and section 42 of the Internal Revenue Code,
179.17 such projects shall be deemed for all purposes to have satisfied all the requirements of the
179.18 Minnesota Housing Finance Agency's qualified allocation plan and all other related guidance
179.19 and requirements and the agency shall timely issue the necessary determination letters under
179.20 section 42(m) of the Internal Revenue Code of 1986, as amended, or Form 8609. The
179.21 Minnesota Housing Finance Agency's qualified allocation plan is required to contain the
179.22 provisions of this subdivision.

179.23 (d) For applications submitted for the first round, an allocating agency may allocate tax
179.24 credits only to the following types of projects:

179.25 (1) in the metropolitan area:

179.26 (i) new construction or substantial rehabilitation of projects in which, for the term of the
179.27 extended use period, at least 75 percent of the total tax credit units are single-room
179.28 occupancy, efficiency, or one bedroom units and which are affordable by households whose
179.29 income does not exceed 30 percent of the median income;

179.30 (ii) new construction or substantial rehabilitation family housing projects that are not
179.31 restricted to persons who are 55 years of age or older and in which, for the term of the
179.32 extended use period, at least 75 percent of the tax credit units contain two or more bedrooms
179.33 and at least one-third of the 75 percent contain three or more bedrooms; or

180.1 (iii) substantial rehabilitation projects in neighborhoods targeted by the city for
180.2 revitalization;

180.3 (2) outside the metropolitan area, projects which meet a locally identified housing need
180.4 and which are in short supply in the local housing market as evidenced by credible data
180.5 submitted with the application;

180.6 (3) projects that are not restricted to persons of a particular age group and in which, for
180.7 the term of the extended use period, a percentage of the units are set aside and rented to
180.8 persons:

180.9 (i) with a serious and persistent mental illness as defined in section 245.462, subdivision
180.10 20, paragraph (c);

180.11 (ii) with a developmental disability as defined in United States Code, title 42, section
180.12 6001, paragraph (5), as amended through December 31, 1990;

180.13 (iii) who have been assessed as drug dependent persons as defined in section 254A.02,
180.14 subdivision 5, and are receiving or will receive care and treatment services provided by an
180.15 approved treatment program as defined in section 254A.02, subdivision 2;

180.16 (iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

180.17 (v) with permanent physical disabilities that substantially limit one or more major life
180.18 activities, if at least 50 percent of the units in the project are accessible as provided under
180.19 Minnesota Rules, chapter 1340;

180.20 (4) projects, whether or not restricted to persons of a particular age group, which preserve
180.21 existing subsidized housing, if the use of tax credits is necessary to prevent conversion to
180.22 market rate use or to remedy physical deterioration of the project which would result in loss
180.23 of existing federal subsidies; or

180.24 (5) projects financed by the Farmers Home Administration, or its successor agency,
180.25 which meet statewide distribution goals.

180.26 (e) Before the date for applications for the final round, the allocating agencies other than
180.27 the agency shall return all uncommitted and unallocated tax credits to a unified pool for
180.28 allocation by the agency on a statewide basis.

180.29 (f) Unused portions of the state ceiling for low-income housing tax credits reserved to
180.30 cities and counties for allocation may be returned at any time to the agency for allocation.

180.31 (g) If an allocating agency determines, at any time after the initial commitment or
180.32 allocation for a specific project, that a project is no longer eligible for all or a portion of the

181.1 low-income housing tax credits committed or allocated to the project, the credits must be
181.2 transferred to the agency to be reallocated pursuant to the procedures established in
181.3 paragraphs (e) to (g); provided that if the tax credits for which the project is no longer
181.4 eligible are from the current year's annual ceiling and the allocating agency maintains a
181.5 waiting list, the allocating agency may continue to commit or allocate the credits until not
181.6 later than the date of applications for the final round, at which time any uncommitted credits
181.7 must be transferred to the agency.

181.8 Sec. 13. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
181.9 to read:

181.10 Subd. 1a. **Aggregate bond limitation.** "Aggregate bond limitation" means up to 55
181.11 percent of the reasonably expected aggregate basis of a residential rental project and the
181.12 land on which the project is or will be located.

181.13 Sec. 14. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
181.14 to read:

181.15 Subd. 1b. **AMI.** "AMI" means the area median income for the applicable county or
181.16 metropolitan area as published by the Department of Housing and Urban Development, as
181.17 adjusted for household size.

181.18 Sec. 15. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
181.19 to read:

181.20 Subd. 12a. **LIHTC.** "LIHTC" means low-income housing tax credits under section 42
181.21 of the Internal Revenue Code of 1986, as amended.

181.22 Sec. 16. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
181.23 to read:

181.24 Subd. 21a. **Preservation project.** "Preservation project" means any residential rental
181.25 project, regardless of whether or not such project is restricted to persons of a certain age or
181.26 older, that receives federal project-based rental subsidies. In addition, to qualify as a
181.27 preservation project, the amount of bonds requested in the application must not exceed the
181.28 aggregate bond limitation.

182.1 Sec. 17. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
182.2 to read:

182.3 Subd. 30. **30 percent AMI residential rental project.** "30 percent AMI residential
182.4 rental project" means a residential rental project that does not otherwise qualify as a
182.5 preservation project, is expected to generate low-income housing tax credits under section
182.6 42 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential
182.7 units, and in which:

182.8 (1) all the residential units of the project:

182.9 (i) are reserved for tenants whose income, on average, is 30 percent of AMI or less;

182.10 (ii) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
182.11 of 1986, as amended; and

182.12 (iii) are subject to rent and income restrictions for a period of not less than 30 years; or

182.13 (2)(i) is located within a county or metropolitan area that has a current median area gross
182.14 income that is less than the statewide area median income for Minnesota;

182.15 (ii) all of the units of the project are rent-restricted in accordance with section 42(g)(2)
182.16 of the Internal Revenue Code of 1986, as amended; and

182.17 (iii) all of the units of the project are subject to the applicable rent and income restrictions
182.18 for a period of not less than 30 years.

182.19 In addition, to qualify as a 30 percent AMI residential project, the amount of bonds
182.20 requested in the application must not exceed the aggregate bond limitation.

182.21 Sec. 18. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
182.22 to read:

182.23 Subd. 31. **50 percent AMI residential rental project.** "50 percent AMI residential
182.24 rental project," means a residential rental project that does not qualify as a preservation
182.25 project or 30 percent AMI residential rental project, is expected to generate low-income
182.26 housing tax credits under section 42 of the Internal Revenue Code of 1986, as amended,
182.27 from 100 percent of its residential units, and in which all the residential units of the project:

182.28 (1) are reserved for tenants whose income, on average, is 50 percent of AMI or less;

182.29 (2) are rent-restricted in accordance with section 42(g)(2) of the Internal Revenue Code
182.30 of 1986, as amended; and

182.31 (3) are subject to rent and income restrictions for a period of not less than 30 years.

183.1 In addition, to qualify as a 50 percent AMI residential rental project, the amount of bonds
183.2 requested in the application must not exceed the aggregate bond limitation.

183.3 Sec. 19. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
183.4 to read:

183.5 Subd. 32. **100 percent LIHTC project.** "100 percent LIHTC project" means a residential
183.6 rental project that is expected to generate low-income housing tax credits under section 42
183.7 of the Internal Revenue Code of 1986, as amended, from 100 percent of its residential units
183.8 and does not otherwise qualify as a preservation project, 30 percent AMI residential rental
183.9 project, or 50 percent AMI residential rental project. In addition, to qualify as a 100 percent
183.10 LIHTC project, the amount of bonds requested in the application must not exceed the
183.11 aggregate bond limitation.

183.12 Sec. 20. Minnesota Statutes 2016, section 474A.02, is amended by adding a subdivision
183.13 to read:

183.14 Subd. 33. **20 percent LIHTC project.** "20 percent LIHTC project" means a residential
183.15 rental project that is expected to generate low-income housing tax credits under section 42
183.16 of the Internal Revenue Code of 1986, as amended, from at least 20 percent of its residential
183.17 units and does not otherwise qualify as a preservation project, 30 percent AMI residential
183.18 rental project, 50 percent AMI residential rental project, or 100 percent LIHTC project. In
183.19 addition, to qualify as a 20 percent LIHTC project, the amount of bonds requested in the
183.20 application must not exceed the aggregate bond limitation.

183.21 Sec. 21. Minnesota Statutes 2016, section 474A.03, subdivision 1, is amended to read:

183.22 Subdivision 1. **Under federal tax law; allocations.** At the beginning of each calendar
183.23 year after December 31, 2001, the commissioner shall determine the aggregate dollar amount
183.24 of the annual volume cap under federal tax law for the calendar year, and of this amount
183.25 the commissioner shall make the following allocation:

183.26 (1) \$74,530,000 to the small issue pool;

183.27 (2) \$122,060,000 to the housing pool, ~~of which 31 percent of the adjusted allocation is~~
183.28 ~~reserved until the last Monday in July for single-family housing programs;~~

183.29 (3) \$12,750,000 to the public facilities pool; and

183.30 (4) amounts to be allocated as provided in subdivision 2a.

184.1 If the annual volume cap is greater or less than the amount of bonding authority allocated
184.2 under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation
184.3 must be adjusted so that each adjusted allocation is the same percentage of the annual volume
184.4 cap as each original allocation is of the total bonding authority originally allocated.

184.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
184.6 expires January 1, 2021.

184.7 Sec. 22. Minnesota Statutes 2016, section 474A.04, subdivision 1a, is amended to read:

184.8 Subd. 1a. **Entitlement reservations.** Any amount returned by an entitlement issuer
184.9 before ~~July~~ June 15 shall be reallocated through the housing pool. Any amount returned on
184.10 or after July ~~15~~ 1 shall be reallocated through the unified pool. An amount returned after
184.11 the last Monday in November shall be reallocated to the Minnesota Housing Finance Agency.

184.12 Sec. 23. Minnesota Statutes 2016, section 474A.047, subdivision 1, is amended to read:

184.13 Subdivision 1. **Eligibility.** (a) An issuer may only use the proceeds from residential
184.14 rental bonds if the proposed project meets the following requirements:

184.15 (1) the proposed residential rental project meets the requirements of section 142(d) of
184.16 the Internal Revenue Code regarding the incomes of the occupants of the housing; and

184.17 (2) the maximum rent for at least 20 percent of the units in the proposed residential rental
184.18 project do not exceed the area fair market rent or exception fair market rents for existing
184.19 housing, if applicable, as established by the federal Department of Housing and Urban
184.20 Development. The rental rates of units in a residential rental project for which project-based
184.21 federal assistance payments are made are deemed to be within the rent limitations of this
184.22 clause.

184.23 (b) The proceeds from residential rental bonds may be used for a project for which
184.24 project-based federal rental assistance payments are made only if: the owner of the project
184.25 enters into a binding agreement with the issuer under which the owner is obligated to extend
184.26 any existing low-income affordability restrictions and any contract or agreement for rental
184.27 assistance payments for the maximum term permitted, including any renewals thereof.

184.28 ~~(1) the owner of the project enters into a binding agreement with the Minnesota Housing~~
184.29 ~~Finance Agency under which the owner is obligated to extend any existing low-income~~
184.30 ~~affordability restrictions and any contract or agreement for rental assistance payments for~~
184.31 ~~the maximum term permitted, including any renewals thereof; and~~

185.1 ~~(2) the Minnesota Housing Finance Agency certifies that project reserves will be~~
185.2 ~~maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

185.3 ~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem~~
185.4 ~~(2), effective May 1, 1997; or~~

185.5 ~~(ii) the level of project reserves available prior to the bond issue, provided that additional~~
185.6 ~~money is available to accomplish repairs and replacements needed at the time of bond issue.~~

185.7 Sec. 24. Minnesota Statutes 2016, section 474A.047, subdivision 2, is amended to read:

185.8 Subd. 2. **15-year agreement.** Prior to the issuance of residential rental bonds, the
185.9 developer of the project for which the bond proceeds will be used must enter into a 15-year
185.10 agreement with the issuer that specifies the maximum rental rates of the rent-restricted units
185.11 in the project and the income levels of the residents of the project occupying income-restricted
185.12 units- and in which the developer will agree to maintain the project as a preservation project,
185.13 30 percent AMI residential rental project, 50 percent AMI residential rental project, 100
185.14 percent LIHTC project, or 20 percent LIHTC project, as applicable and as described in its
185.15 application. Such rental rates and income levels must be within the limitations established
185.16 under subdivision 1. The developer must annually certify to the issuer over the term of the
185.17 agreement that the rental rates for the rent-restricted units are within the limitations under
185.18 subdivision 1. The issuer may request individual certification of the income of residents of
185.19 the income-restricted units. The commissioner may request from the issuer a copy of the
185.20 annual certification prepared by the developer. The commissioner may require the issuer
185.21 to request individual certification of all residents of the income-restricted units.

185.22 Sec. 25. Minnesota Statutes 2016, section 474A.061, is amended to read:

185.23 **474A.061 MANUFACTURING, HOUSING, AND PUBLIC FACILITIES POOLS.**

185.24 Subdivision 1. **Allocation application; small issue pool and public facilities pool.** (a)
185.25 For any requested allocations from the small issue pool and the public facilities pool, an
185.26 issuer may apply for an allocation under this section by submitting to the department an
185.27 application on forms provided by the department, accompanied by (1) a preliminary
185.28 resolution, (2) a statement of bond counsel that the proposed issue of obligations requires
185.29 an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified
185.30 bonds to be issued, (4) an application deposit in the amount of one percent of the requested
185.31 allocation before the last Monday in July June, or in the amount of two percent of the
185.32 requested allocation on or after the last Monday in July, June, and (5) a public purpose
185.33 scoring worksheet for manufacturing project and enterprise zone facility project applications;

186.1 ~~and (6) for residential rental projects, a statement from the applicant or bond counsel as to~~
186.2 ~~whether the project preserves existing federally subsidized housing for residential rental~~
186.3 ~~project applications and whether the project is restricted to persons who are 55 years of age~~
186.4 ~~or older.~~ The issuer must pay the application deposit by a check or wire transfer made
186.5 payable to the Department of Management and Budget. The Minnesota Housing Finance
186.6 Agency, the Minnesota Rural Finance Authority, and the Minnesota Office of Higher
186.7 Education may apply for and receive an allocation under this section without submitting an
186.8 application deposit.

186.9 (b) An entitlement issuer may not apply for an allocation ~~from the public facilities pool~~
186.10 under this subdivision unless it has either permanently issued bonds equal to the amount of
186.11 its entitlement allocation for the current year plus any amount of bonding authority carried
186.12 forward from previous years or returned for reallocation all of its unused entitlement
186.13 allocation. ~~An entitlement issuer may not apply for an allocation from the housing pool~~
186.14 ~~unless it either has permanently issued bonds equal to any amount of bonding authority~~
186.15 ~~carried forward from a previous year or has returned for reallocation any unused bonding~~
186.16 ~~authority carried forward from a previous year.~~ For purposes of this subdivision, its
186.17 entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.
186.18 ~~This paragraph does not apply to an application from the Minnesota Housing Finance Agency~~
186.19 ~~for an allocation under subdivision 2a for cities who choose to have the agency issue bonds~~
186.20 ~~on their behalf.~~

186.21 (c) If an application is rejected under this section, the commissioner must notify the
186.22 applicant and return the application deposit to the applicant within 30 days unless the
186.23 applicant requests in writing that the application be resubmitted. The granting of an allocation
186.24 of bonding authority under this section must be evidenced by a certificate of allocation.

186.25 Subd. 1a. Allocation application; housing pool. (a) For any requested allocations from
186.26 the housing pool, an issuer may apply for an allocation under this section by submitting to
186.27 the department an application on forms provided by the department, accompanied by (1) a
186.28 preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations
186.29 requires an allocation under this chapter and the Internal Revenue Code, (3) an application
186.30 deposit in the amount of two percent of the requested allocation, (4) a sworn statement from
186.31 the applicant identifying the project as either a preservation project, 30 percent AMI
186.32 residential rental project, 50 percent AMI residential rental project, 100 percent LIHTC
186.33 project, 20 percent LIHTC project, or any other residential rental project, and (5) a
186.34 certification from the applicant or its accountant stating whether the requested allocation
186.35 exceeds the aggregate bond limitation. The issuer must pay the application deposit by a

187.1 check made payable to the Department of Management and Budget or wire transfer. The
187.2 Minnesota Housing Finance Agency may apply for and receive an allocation under this
187.3 section without submitting an application deposit.

187.4 (b) An entitlement issuer may not apply for an allocation from the housing pool unless
187.5 it either has permanently issued bonds equal to any amount of bonding authority carried
187.6 forward from a previous year or has returned for reallocation any unused bonding authority
187.7 carried forward from a previous year. For purposes of this subdivision, its entitlement
187.8 allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph
187.9 does not apply to an application from the Minnesota Housing Finance Agency for an
187.10 allocation under subdivision 2a for cities who choose to have the agency issue bonds on the
187.11 city's behalf.

187.12 (c) If an application is rejected under this section, the commissioner must notify the
187.13 applicant and return the application deposit to the applicant within 30 days unless the
187.14 applicant requests in writing that the application be resubmitted. The granting of an allocation
187.15 of bonding authority under this section must be evidenced by a certificate of allocation.

187.16 **Subd. 2a. Housing pool allocation.** (a) Commencing on the second Tuesday in January
187.17 and continuing on each Monday through ~~July~~ June 15, the commissioner shall allocate
187.18 available bonding authority from the housing pool to applications received on or before the
187.19 Monday of the preceding week for residential rental projects that meet the eligibility criteria
187.20 under section 474A.047. Allocations of available bonding authority from the housing pool
187.21 for eligible residential rental projects shall be awarded in the following order of priority:
187.22 ~~(1) projects that preserve existing federally subsidized housing; (2) projects that are not~~
187.23 ~~restricted to persons who are 55 years of age or older; and (3) other residential rental projects.~~
187.24 ~~Prior to May 15, no allocation shall be made to a project restricted to persons who are 55~~
187.25 ~~years of age or older.~~

187.26 (1) preservation projects;

187.27 (2) 30 percent AMI residential rental projects;

187.28 (3) 50 percent AMI residential rental projects;

187.29 (4) 100 percent LIHTC projects;

187.30 (5) 20 percent LIHTC projects;

187.31 (6) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 starting in
187.32 calendar year 2021, single family housing programs; and

188.1 (7) other residential rental projects for which the amount of bonds requested in their
188.2 respective applications do not exceed the aggregate bond limitation.

188.3 If there are two or more applications for residential rental projects at the same priority level
188.4 and there is insufficient bonding authority to provide allocations for all such projects in any
188.5 one allocation period, available bonding authority shall be randomly awarded by lot. If a
188.6 residential rental project is selected by lot, but the remaining allocation is insufficient to
188.7 receive the full amount of its requested allocation, the remaining bonding authority shall
188.8 be reserved by the commissioner, or by the Minnesota Housing Finance Agency if such
188.9 authority is carried forward pursuant to section 474A.131, for the project for up to 24 months
188.10 thereafter, and if the project applies in the future to the housing pool or unified pool for
188.11 additional allocation of bonds, the project shall be fully funded up to the remaining amount
188.12 of its original application request for bonding authority before any new project applying in
188.13 the same allocation period that has an equal priority shall receive bonding authority. Within
188.14 180 days of receiving an allocation under this paragraph, an issuer must either begin issuing
188.15 obligations or submit an additional application deposit equal to one percent of the allocation
188.16 amount; if an additional deposit is submitted, the issuer must begin issuing obligations
188.17 within 18 months of receiving an allocation. If an issuer that receives an allocation under
188.18 this paragraph does not issue obligations equal to all or a portion of the allocation received
188.19 ~~within 120 days of the allocation~~ the relevant time period in this paragraph or returns the
188.20 allocation to the commissioner, the amount of the allocation is canceled and returned for
188.21 reallocation through the housing pool or to the unified pool after July 15. 1. If an issuer that
188.22 receives an allocation under this paragraph issues obligations within the relevant time period
188.23 in this paragraph, the commissioner shall refund 50 percent of any application deposit
188.24 previously paid within 30 days of the issuance of the obligations and the remaining 50
188.25 percent of the application deposit will be refunded (i) within 30 days after the date on which
188.26 the Internal Revenue Service Forms 8609 are issued with respect to projects generating
188.27 low-income housing tax credits, or (ii) within 90 days after the issuer provides a certification
188.28 and any other reasonable documentation requested by the commissioner evidencing that
188.29 construction of the project has been completed.

188.30 ~~(b) After January 1, and through January 15,~~ The Minnesota Housing Finance Agency
188.31 may accept applications, according to the schedule in paragraph (c), from cities for
188.32 single-family housing programs which meet program requirements as follows:

188.33 (1) the housing program must meet a locally identified housing need and be economically
188.34 viable;

189.1 (2) the adjusted income of home buyers may not exceed 80 percent of ~~the greater of~~
189.2 ~~statewide or area median income as published by the Department of Housing and Urban~~
189.3 ~~Development, adjusted for household size~~ AMI;

189.4 (3) house price limits may not exceed the federal price limits established for mortgage
189.5 revenue bond programs. Data on the home purchase price amount, mortgage amount, income,
189.6 household size, and race of the households served in the previous year's single-family
189.7 housing program, if any, must be included in each application; and

189.8 (4) for applicants who choose to have the agency issue bonds on their behalf, an
189.9 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
189.10 to one percent of the requested allocation must be submitted to the Minnesota Housing
189.11 Finance Agency before the agency forwards the list specifying the amounts allocated to the
189.12 commissioner under paragraph ~~(d)~~ (e). The agency shall submit the city's application fee
189.13 and application deposit to the commissioner when requesting an allocation from the housing
189.14 pool.

189.15 Applications by a consortium shall include the name of each member of the consortium
189.16 and the amount of allocation requested by each member.

189.17 (c) The Minnesota Housing Finance Agency may accept applications under paragraph
189.18 (b) after June 1 in calendar years 2018, 2019, and 2020, and after January 1 and through
189.19 January 15 starting in calendar year 2021.

189.20 ~~(e) Any amounts remaining in the housing pool after July 15 are available for~~
189.21 ~~single-family housing programs for cities that applied in January and received an allocation~~
189.22 ~~under this section in the same calendar year.~~ (d) For a city that chooses to issue bonds on
189.23 its own behalf or pursuant to a joint powers agreement, the agency must allot available
189.24 bonding authority based on the formula in paragraphs ~~(d)~~ (e) and ~~(f)~~ (g). Allocations will
189.25 be made loan by loan, on a first-come, first-served basis among cities on whose behalf the
189.26 Minnesota Housing Finance Agency issues bonds.

189.27 Any city that received an allocation pursuant to paragraph ~~(f)~~ (g) in the same calendar
189.28 year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement
189.29 for an amount becoming available for single-family housing programs after ~~July 15~~ June 1
189.30 shall notify the Minnesota Housing Finance Agency by ~~July 15~~ June 1. The Minnesota
189.31 Housing Finance Agency shall notify each city making a request of the amount of its
189.32 allocation within three business days after ~~July 15~~ June 1. The city must comply with
189.33 paragraph ~~(f)~~ (g).

190.1 For purposes of ~~paragraphs (a) to (h)~~ this subdivision, "city" means a county or a
190.2 consortium of local government units that agree through a joint powers agreement to apply
190.3 together for single-family housing programs, and has the meaning given it in section 462C.02,
190.4 subdivision 6. "Agency" means the Minnesota Housing Finance Agency.

190.5 ~~(d)~~ (e) The total amount of allocation for mortgage bonds for one city is limited to the
190.6 lesser of: (i) the amount requested, or (ii) the product of the total amount available for
190.7 mortgage bonds from the housing pool, multiplied by the ratio of each applicant's population
190.8 as determined by the most recent estimate of the city's population released by the state
190.9 demographer's office to the total of all the applicants' population, except that each applicant
190.10 shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount
190.11 determined under the formula in clause (ii). If a city applying for an allocation is located
190.12 within a county that has also applied for an allocation, the city's population will be deducted
190.13 from the county's population in calculating the amount of allocations under this paragraph.

190.14 Upon determining the amount of each applicant's allocation, the agency shall forward
190.15 to the commissioner a list specifying the amounts allotted to each application with all
190.16 application fees and deposits from applicants who choose to have the agency issue bonds
190.17 on their behalf.

190.18 Total allocations from the housing pool for single-family housing programs may not
190.19 exceed 31 percent of the adjusted allocation to the housing pool ~~until after July 15~~.

190.20 ~~(e)~~ (f) The agency may issue bonds on behalf of participating cities. The agency shall
190.21 request an allocation from the commissioner for all applicants who choose to have the
190.22 agency issue bonds on their behalf and the commissioner shall allocate the requested amount
190.23 to the agency. The agency may request an allocation at any time after ~~the second Tuesday~~
190.24 ~~in January and through the last Monday in July~~ June 1. After awarding an allocation and
190.25 receiving a notice of issuance for the mortgage bonds issued on behalf of the participating
190.26 cities, the commissioner shall transfer the application deposits to the Minnesota Housing
190.27 Finance Agency to be returned to the participating cities. The Minnesota Housing Finance
190.28 Agency shall return any application deposit to a city that paid an application deposit under
190.29 paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under
190.30 paragraph ~~(d)~~ (e).

190.31 ~~(f)~~ (g) A city may choose to issue bonds on its own behalf or through a joint powers
190.32 agreement and may request an allocation from the commissioner by forwarding an application
190.33 with an application fee pursuant to section 474A.03, subdivision 4, and a one percent
190.34 application deposit to the commissioner no later than the Monday of the week preceding

191.1 an allocation. If the total amount requested by all applicants exceeds the amount available
191.2 in the pool, the city may not receive a greater allocation than the amount it would have
191.3 received under the list forwarded by the Minnesota Housing Finance Agency to the
191.4 commissioner. No city may request or receive an allocation from the commissioner until
191.5 the list under paragraph ~~(d)~~ (e) has been forwarded to the commissioner. A city must request
191.6 an allocation from the commissioner no later than the last Monday in ~~July~~ June. No city
191.7 may receive an allocation from the housing pool for mortgage bonds which has not first
191.8 applied to the Minnesota Housing Finance Agency. The commissioner shall allocate the
191.9 requested amount to the city or cities subject to the limitations under this paragraph.

191.10 If a city issues mortgage bonds from an allocation received under this paragraph, the
191.11 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
191.12 provide for recycling, the issuer must notify the commissioner in writing of the reason that
191.13 recycling was not possible and the reason the issuer elected not to have the Minnesota
191.14 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
191.15 from the repayment and prepayment of loans for further eligible loans or for the redemption
191.16 of bonds and the issuance of current refunding bonds.

191.17 ~~(g)~~ (h) No entitlement city or county or city in an entitlement county may apply for or
191.18 be allocated authority to issue mortgage bonds or use mortgage credit certificates from the
191.19 housing pool. No city in an entitlement county may apply for or be allocated authority to
191.20 issue residential rental bonds from the housing pool or the unified pool.

191.21 ~~(h)~~ (i) A city that does not use at least 50 percent of its allotment by the date applications
191.22 are due for the first allocation that is made from the housing pool for single-family housing
191.23 programs in the immediately succeeding calendar year may not apply to the housing pool
191.24 for a single-family mortgage bond or mortgage credit certificate program allocation that
191.25 exceeds the amount of its allotment for the preceding year that was used by the city in the
191.26 immediately preceding year or receive an allotment from the housing pool in the succeeding
191.27 calendar year that exceeds the amount of its allotment for the preceding year that was used
191.28 in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to
191.29 July ~~15~~ 1, regardless of the amount used in the preceding calendar year, except that a city
191.30 whose allocation in the preceding year was the minimum amount of \$100,000 and who did
191.31 not use at least 50 percent of its allocation from the preceding year is ineligible for an
191.32 allocation in the immediate succeeding calendar year. Each local government unit in a
191.33 consortium must meet the requirements of this paragraph.

191.34 Subd. 2b. **Small issue pool allocation.** Commencing on the second Tuesday in January
191.35 and continuing on each Monday through the last Monday in ~~July~~ June, the commissioner

192.1 shall allocate available bonding authority from the small issue pool to applications received
192.2 on or before the Monday of the preceding week for manufacturing projects and enterprise
192.3 zone facility projects. From the second Tuesday in January through the last Monday in ~~July~~
192.4 June, the commissioner shall reserve \$5,000,000 of the available bonding authority from
192.5 the small issue pool for applications for agricultural development bond loan projects of the
192.6 Minnesota Rural Finance Authority.

192.7 Beginning in calendar year 2002, on the second Tuesday in January through the last
192.8 Monday in ~~July~~ June, the commissioner shall reserve \$10,000,000 of available bonding
192.9 authority in the small issue pool for applications for student loan bonds of or on behalf of
192.10 the Minnesota Office of Higher Education. The total amount of allocations for student loan
192.11 bonds from the small issue pool may not exceed \$10,000,000 per year.

192.12 The commissioner shall reserve \$10,000,000 until the day after the last Monday in
192.13 February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until
192.14 the day after the last Monday in June in the small issue pool for enterprise zone facility
192.15 projects and manufacturing projects. The amount of allocation provided to an issuer for a
192.16 specific enterprise zone facility project or manufacturing project will be based on the number
192.17 of points received for the proposed project under the scoring system under section 474A.045.

192.18 If there are two or more applications for manufacturing and enterprise zone facility
192.19 projects from the small issue pool and there is insufficient bonding authority to provide
192.20 allocations for all projects in any one week, the available bonding authority shall be awarded
192.21 based on the number of points awarded a project under section 474A.045, with those projects
192.22 receiving the greatest number of points receiving allocation first. If two or more applications
192.23 receive an equal number of points, available bonding authority shall be awarded by lot
192.24 unless otherwise agreed to by the respective issuers.

192.25 Subd. 2c. **Public facilities pool allocation.** From the beginning of the calendar year and
192.26 continuing for a period of 120 days, the commissioner shall reserve \$5,000,000 of the
192.27 available bonding authority from the public facilities pool for applications for public facilities
192.28 projects to be financed by the Western Lake Superior Sanitary District. Commencing on
192.29 the second Tuesday in January and continuing on each Monday through the last Monday
192.30 in ~~July~~ June, the commissioner shall allocate available bonding authority from the public
192.31 facilities pool to applications for eligible public facilities projects received on or before the
192.32 Monday of the preceding week. If there are two or more applications for public facilities
192.33 projects from the pool and there is insufficient available bonding authority to provide
192.34 allocations for all projects in any one week, the available bonding authority shall be awarded
192.35 by lot unless otherwise agreed to by the respective issuers.

193.1 Subd. 4. **Return of allocation; deposit refund for small issue pool or public facilities**
193.2 **pool.** (a) For any requested allocation from the small issue pool or the public facilities pool,
193.3 if an issuer that receives an allocation under this section determines that it will not issue
193.4 obligations equal to all or a portion of the allocation received under this section within 120
193.5 days of allocation or within the time period permitted by federal tax law, whichever is less,
193.6 the issuer must notify the department. If the issuer notifies the department or the 120-day
193.7 period since allocation has expired prior to the last Monday in ~~July~~ June, the amount of
193.8 allocation is canceled and returned for reallocation through the pool from which it was
193.9 originally allocated. If the issuer notifies the department or the 120-day period since allocation
193.10 has expired on or after the last Monday in ~~July~~ June, the amount of allocation is canceled
193.11 and returned for reallocation through the unified pool. If the issuer notifies the department
193.12 after the last Monday in November, the amount of allocation is canceled and returned for
193.13 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
193.14 application process, the commissioner shall reserve, for new applications, the amount of
193.15 allocation that is canceled and returned for reallocation under this section for a minimum
193.16 of seven calendar days.

193.17 (b) An issuer that returns for reallocation all or a portion of an allocation received under
193.18 this ~~section~~ subdivision within 120 days of allocation shall receive within 30 days a refund
193.19 equal to:

193.20 (1) one-half of the application deposit for the amount of bonding authority returned
193.21 within 30 days of receiving allocation;

193.22 (2) one-fourth of the application deposit for the amount of bonding authority returned
193.23 between 31 and 60 days of receiving allocation; and

193.24 (3) one-eighth of the application deposit for the amount of bonding authority returned
193.25 between 61 and 120 days of receiving allocation.

193.26 (c) No refund shall be available for allocations returned 120 or more days after receiving
193.27 the allocation or beyond the last Monday in November.

193.28 **Subd. 4a. Return of allocation; deposit refund for housing pool.** (a) For any requested
193.29 allocations from the housing pool, if an issuer that receives an allocation under this section
193.30 determines that it will not issue obligations equal to all or a portion of the allocation received
193.31 under this section within the time period provided under section 474A.061, subdivision 2a,
193.32 paragraph (a), or within the time period permitted by federal tax law, whichever is less, the
193.33 issuer must notify the department. If the issuer notifies the department or the time period
193.34 provided under section 474A.061, subdivision 2a, paragraph (a), has expired prior to the

194.1 last Monday in June, the amount of allocation is canceled and returned for reallocation
 194.2 through the pool from which it was originally allocated. If the issuer notifies the department
 194.3 or the time period provided under section 474A.061, subdivision 2a, paragraph (a), has
 194.4 expired on or after the last Monday in June, the amount of the allocation is canceled and
 194.5 returned for reallocation through the unified pool. If the issuer notifies the department after
 194.6 the last Monday in November, the amount of allocation is canceled and returned for
 194.7 reallocation to the Minnesota Housing Finance Agency. To encourage a competitive
 194.8 application process, the commissioner shall reserve, for new applications, the amount of
 194.9 allocation that is canceled and returned for reallocation under this section for a minimum
 194.10 of seven calendar days.

194.11 (b) An issuer that returns for reallocation all or a portion of an allocation received under
 194.12 this subdivision within 180 days of allocation shall receive within 30 days a refund equal
 194.13 to:

194.14 (1) one-half of the application deposit for the amount of bonding authority returned
 194.15 within 45 days of receiving allocation;

194.16 (2) one-fourth of the allocation deposit for the amount of bonding authority returned
 194.17 between 46 and 90 days of receiving allocation; and

194.18 (3) one-eighth of the application deposit for the amount of bonding authority returned
 194.19 between 91 and 180 days of receiving allocation.

194.20 (c) No refund shall be available for allocations returned 180 or more days after receiving
 194.21 the allocation or beyond the last Monday in November.

194.22 Sec. 26. Minnesota Statutes 2016, section 474A.062, is amended to read:

194.23 **474A.062 MINNESOTA OFFICE OF HIGHER EDUCATION ~~120-DAY~~ ISSUANCE**
 194.24 **EXEMPTION.**

194.25 The Minnesota Office of Higher Education is exempt from ~~the 120-day issuance~~
 194.26 ~~requirements~~ any time limitation on issuance of bonds set forth in this chapter and may
 194.27 carry forward allocations for student loan bonds, subject to carryforward notice requirements
 194.28 of section 474A.131, subdivision 2.

194.29 Sec. 27. Minnesota Statutes 2016, section 474A.091, is amended to read:

194.30 **474A.091 ALLOCATION OF UNIFIED POOL.**

195.1 Subdivision 1. **Unified pool amount.** On the day after the last Monday in ~~July~~ June any
 195.2 bonding authority remaining unallocated from the small issue pool, the housing pool, and
 195.3 the public facilities pool is transferred to the unified pool and must be reallocated as provided
 195.4 in this section.

195.5 Subd. 2. **Application for residential rental projects.** (a) Issuers may apply for an
 195.6 allocation for residential rental bonds under this section by submitting to the department an
 195.7 application on forms provided by the department accompanied by:

195.8 (1) a preliminary resolution;²

195.9 (2) a statement of bond counsel that the proposed issue of obligations requires an
 195.10 allocation under this chapter and the Internal Revenue Code;²

195.11 (3) ~~the type of qualified bonds to be issued, (4) an application deposit in the amount of~~
 195.12 ~~two percent of the requested allocation; (5) a public purpose scoring worksheet for~~
 195.13 ~~manufacturing and enterprise zone applications, and (6) for residential rental projects, a~~
 195.14 ~~statement from the applicant or bond counsel as to whether the project preserves existing~~
 195.15 ~~federally subsidized housing and whether the project is restricted to persons who are 55~~
 195.16 ~~years of age or older.~~

195.17 (4) a sworn statement from the applicant identifying the project as either a preservation
 195.18 project, 30 percent AMI residential rental project, 50 percent AMI residential rental project,
 195.19 100 percent LIHTC project, 20 percent LIHTC project, or any other residential rental project;
 195.20 and

195.21 (5) a certification from the applicant or its accountant stating whether the requested
 195.22 allocation exceeds the aggregate bond limitation. Applications for projects requesting bonds
 195.23 in excess of the aggregate bond limitation may not apply or be allocated bonding authority
 195.24 until after September 1 each year.

195.25 The issuer must pay the application deposit by check. An entitlement issuer may not apply
 195.26 for an allocation for ~~public facility bonds, residential rental project bonds, or mortgage~~
 195.27 ~~bonds~~ under this section unless it has either permanently issued bonds equal to the amount
 195.28 of its entitlement allocation for the current year plus any amount carried forward from
 195.29 previous years or returned for reallocation all of its unused entitlement allocation. For
 195.30 purposes of this subdivision, its entitlement allocation includes an amount obtained under
 195.31 section 474A.04, subdivision 6.

195.32 (b) Within 180 days of receiving an allocation under this subdivision, an issuer must
 195.33 either begin issuing obligations or submit an additional application deposit equal to one

196.1 percent of the allocation amount; if an additional deposit is submitted, the issuer must begin
196.2 issuing obligations within 18 months of receiving an allocation. If an issuer that receives
196.3 an allocation under this subdivision does not issue obligations equal to all or a portion of
196.4 the allocation received within the 180-day time period provided in this paragraph or returns
196.5 the allocation to the commissioner, the amount of the allocation is canceled and returned
196.6 for reallocation through the unified pool. If an issuer that receives an allocation under this
196.7 subdivision issues obligations within the 180-day time period provided in this paragraph,
196.8 the commissioner shall refund 50 percent of any application deposit previously paid within
196.9 30 days of the issuance of the obligations and the remaining 50 percent of such application
196.10 deposit will be refunded (1) within 30 days after the date on which Internal Revenue Service
196.11 Forms 8609 are issued with respect to projects generating low-income housing tax credits,
196.12 or (2) within 90 days after the issuer provides a certification and any other reasonable
196.13 documentation requested by the commissioner evidencing that construction of the project
196.14 has been completed.

196.15 (c) Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
196.16 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
196.17 under this section prior to the first Monday in October, but may be awarded allocations for
196.18 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
196.19 Housing Finance Agency, ~~the Minnesota Office of Higher Education, and the Minnesota~~
196.20 ~~Rural Finance Authority~~ may apply for and receive an allocation under this section without
196.21 submitting an application deposit.

196.22 Subd. 2a. **Application for all other types of qualified bonds.** Issuers may apply for an
196.23 allocation for all types of qualified bonds other than residential rental bonds under this
196.24 section by submitting to the department an application on forms provided by the department
196.25 accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the
196.26 proposed issue of obligations requires an allocation under this chapter and the Internal
196.27 Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in
196.28 the amount of two percent of the requested allocation, and (5) a public purpose scoring
196.29 worksheet for manufacturing and enterprise zone applications. The issuer must pay the
196.30 application deposit by check. An entitlement issuer may not apply for an allocation for
196.31 public facility bonds or mortgage bonds under this section unless it has either permanently
196.32 issued bonds equal to the amount of its entitlement allocation for the current year plus any
196.33 amount carried forward from previous years or returned for reallocation all of its unused
196.34 entitlement allocation. For purposes of this subdivision, its entitlement allocation includes
196.35 an amount obtained under section 474A.04, subdivision 6.

197.1 Notwithstanding the restrictions imposed on entitlement issuers under this subdivision,
197.2 the Minnesota Housing Finance Agency may not receive an allocation for mortgage bonds
197.3 under this section prior to the first Monday in October, but may be awarded allocations for
197.4 mortgage bonds from the unified pool on or after the first Monday in October. The Minnesota
197.5 Housing Finance Agency, the Minnesota Office of Higher Education, and the Minnesota
197.6 Rural Finance Authority may apply for and receive an allocation under this section without
197.7 submitting an application deposit.

197.8 Subd. 3. **Allocation procedure.** (a) The commissioner shall allocate available bonding
197.9 authority under this section on the Monday of every other week beginning with the first
197.10 Monday in ~~August~~ July through and on the last Monday in November. Applications for
197.11 allocations must be received by the department by 4:30 p.m. on the Monday preceding the
197.12 Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation
197.13 will be made or the applications must be received by the next business day after the holiday.

197.14 (b) Prior to October 1, only the following applications shall be awarded allocations from
197.15 the unified pool. Allocations shall be awarded in the following order of priority:

197.16 (1) applications for residential rental project bonds;

197.17 (2) applications for small issue bonds for manufacturing projects; and

197.18 (3) applications for small issue bonds for agricultural development bond loan projects.

197.19 (c) On the first Monday in October through the last Monday in November, allocations
197.20 shall be awarded from the unified pool in the following order of priority:

197.21 (1) applications for student loan bonds issued by or on behalf of the Minnesota Office
197.22 of Higher Education;

197.23 (2) applications for mortgage bonds;

197.24 (3) applications for public facility projects funded by public facility bonds;

197.25 (4) applications for small issue bonds for manufacturing projects;

197.26 (5) applications for small issue bonds for agricultural development bond loan projects;

197.27 (6) applications for residential rental project bonds;

197.28 (7) applications for enterprise zone facility bonds;

197.29 (8) applications for governmental bonds; and

197.30 (9) applications for redevelopment bonds.

198.1 (d) If there are two or more applications for manufacturing projects from the unified
198.2 pool and there is insufficient bonding authority to provide allocations for all manufacturing
198.3 projects in any one allocation period, the available bonding authority shall be awarded based
198.4 on the number of points awarded a project under section 474A.045 with those projects
198.5 receiving the greatest number of points receiving allocation first. If two or more applications
198.6 for manufacturing projects receive an equal amount of points, available bonding authority
198.7 shall be awarded by lot unless otherwise agreed to by the respective issuers.

198.8 (e) If there are two or more applications for enterprise zone facility projects from the
198.9 unified pool and there is insufficient bonding authority to provide allocations for all enterprise
198.10 zone facility projects in any one allocation period, the available bonding authority shall be
198.11 awarded based on the number of points awarded a project under section 474A.045 with
198.12 those projects receiving the greatest number of points receiving allocation first. If two or
198.13 more applications for enterprise zone facility projects receive an equal amount of points,
198.14 available bonding authority shall be awarded by lot unless otherwise agreed to by the
198.15 respective issuers.

198.16 (f) If there are two or more applications for residential rental projects from the unified
198.17 pool and there is insufficient bonding authority to provide allocations for all residential
198.18 rental projects in any one allocation period, the available bonding authority shall be awarded
198.19 in the following order of priority: (1) ~~projects that preserve existing federally subsidized~~
198.20 ~~housing; (2) projects that are not restricted to persons who are 55 years of age or older; and~~
198.21 ~~(3) preservation projects; (2) 30 percent AMI residential rental projects; (3) 50 percent AMI~~
198.22 ~~residential rental projects; (4) 100 percent LIHTC projects; (5) 20 percent LIHTC projects;~~
198.23 (6) other residential rental projects for which the amount of bonds requested in their
198.24 respective applications do not exceed the aggregate bond limitation; and (7) other residential
198.25 rental projects for which the amount of bonds requested in their respective applications
198.26 exceeds the aggregate bond limitation and which apply on or after September 1 of a calendar
198.27 year. If there are two or more applications for residential rental projects at the same priority
198.28 level and there is insufficient bonding authority to provide allocations for all such projects
198.29 in any one allocation period, available bonding authority shall be randomly awarded by lot
198.30 but only for projects that can receive the full amount of their respective requested allocations.
198.31 If a residential rental project does not receive any of its requested allocation under the
198.32 random award, the remaining bonding authority not allocated to the project shall be reserved
198.33 by the commissioner, or by the Minnesota Housing Finance Agency if the authority is carried
198.34 forward pursuant to section 474A.131, for the project for up to 24 months thereafter, and
198.35 if the project applies in the future to the housing pool or unified pool for additional allocation

199.1 of bonds, the project shall be fully funded up to the remaining amount of its original
199.2 application request for bonding authority before any new project applying in the same
199.3 allocation period that has an equal priority shall receive bonding authority.

199.4 (g) From the first Monday in ~~August~~ July through the last Monday in ~~November~~ August,
199.5 \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding
199.6 authority allocated to the small issue pool under section 474A.03, subdivision 1, less the
199.7 amount allocated to issuers from the small issue pool for that year, whichever is less, is
199.8 reserved within the unified pool for small issue bonds to the extent such amounts are available
199.9 within the unified pool.

199.10 (h) The total amount of allocations for mortgage bonds from the housing pool and the
199.11 unified pool may not exceed:

199.12 (1) \$10,000,000 for any one city; or

199.13 (2) \$20,000,000 for any number of cities in any one county.

199.14 (i) The total amount of allocations for student loan bonds from the unified pool may not
199.15 exceed \$25,000,000 per year.

199.16 (j) If there is insufficient bonding authority to fund all projects within any qualified bond
199.17 category other than enterprise zone facility projects, manufacturing projects, and residential
199.18 rental projects, allocations shall be awarded by lot unless otherwise agreed to by the
199.19 respective issuers.

199.20 (k) If an application is rejected, the commissioner must notify the applicant and return
199.21 the application deposit to the applicant within 30 days unless the applicant requests in writing
199.22 that the application be resubmitted.

199.23 (l) The granting of an allocation of bonding authority under this section must be evidenced
199.24 by issuance of a certificate of allocation.

199.25 Subd. 3a. **Mortgage bonds.** (a) Bonding authority remaining in the unified pool on
199.26 October 1 is available for single-family housing programs for cities that applied in ~~January~~
199.27 June and received an allocation under section 474A.061, subdivision 2a, in the same calendar
199.28 year. The Minnesota Housing Finance Agency shall receive an allocation for mortgage
199.29 bonds pursuant to this section, minus any amounts for a city or consortium that intends to
199.30 issue bonds on its own behalf under paragraph (c).

199.31 (b) The agency may issue bonds on behalf of participating cities. The agency shall request
199.32 an allocation from the commissioner for all applicants who choose to have the agency issue
199.33 bonds on their behalf and the commissioner shall allocate the requested amount to the

200.1 agency. Allocations shall be awarded by the commissioner each Monday commencing on
200.2 the first Monday in October through the last Monday in November for applications received
200.3 by 4:30 p.m. on the Monday of the week preceding an allocation.

200.4 For cities who choose to have the agency issue bonds on their behalf, allocations will
200.5 be made loan by loan, on a first-come, first-served basis among the cities. The agency shall
200.6 submit an application fee pursuant to section 474A.03, subdivision 4, and an application
200.7 deposit equal to two percent of the requested allocation to the commissioner when requesting
200.8 an allocation from the unified pool. After awarding an allocation and receiving a notice of
200.9 issuance for mortgage bonds issued on behalf of the participating cities, the commissioner
200.10 shall transfer the application deposit to the Minnesota Housing Finance Agency.

200.11 For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local
200.12 government units that agree through a joint powers agreement to apply together for
200.13 single-family housing programs, and has the meaning given it in section 462C.02, subdivision
200.14 6. "Agency" means the Minnesota Housing Finance Agency.

200.15 (c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a,
200.16 paragraph (f), in the current year that wishes to receive an additional allocation from the
200.17 unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall
200.18 notify the Minnesota Housing Finance Agency by the third Monday in September. The total
200.19 amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf
200.20 or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or
200.21 (ii) the product of the total amount available for mortgage bonds from the unified pool,
200.22 multiplied by the ratio of the population of each city that applied in January and received
200.23 an allocation under section 474A.061, subdivision 2a, in the same calendar year, as
200.24 determined by the most recent estimate of the city's population released by the state
200.25 demographer's office to the total of the population of all the cities that applied in January
200.26 and received an allocation under section 474A.061, subdivision 2a, in the same calendar
200.27 year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement
200.28 is located within a county that has also chosen to issue bonds on its own behalf or through
200.29 a joint powers agreement, the city's population will be deducted from the county's population
200.30 in calculating the amount of allocations under this paragraph.

200.31 The Minnesota Housing Finance Agency shall notify each city choosing to issue bonds
200.32 on its own behalf or pursuant to a joint powers agreement of the amount of its allocation
200.33 by October 15. Upon determining the amount of the allocation of each choosing to issue
200.34 bonds on its own behalf or through a joint powers agreement, the agency shall forward a
200.35 list specifying the amounts allotted to each city.

201.1 A city that chooses to issue bonds on its own behalf or through a joint powers agreement
201.2 may request an allocation from the commissioner by forwarding an application with an
201.3 application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal
201.4 to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the
201.5 Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds
201.6 on their own behalf shall be awarded by the commissioner on the first Monday after October
201.7 15 through the last Monday in November. No city may receive an allocation from the
201.8 commissioner after the last Monday in November. The commissioner shall allocate the
201.9 requested amount to the city or cities subject to the limitations under this subdivision.

201.10 If a city issues mortgage bonds from an allocation received under this paragraph, the
201.11 issuer must provide for the recycling of funds into new loans. If the issuer is not able to
201.12 provide for recycling, the issuer must notify the commissioner in writing of the reason that
201.13 recycling was not possible and the reason the issuer elected not to have the Minnesota
201.14 Housing Finance Agency issue the bonds. "Recycling" means the use of money generated
201.15 from the repayment and prepayment of loans for further eligible loans or for the redemption
201.16 of bonds and the issuance of current refunding bonds.

201.17 (d) No entitlement city or county or city in an entitlement county may apply for or be
201.18 allocated authority to issue mortgage bonds or use mortgage credit certificates from the
201.19 unified pool.

201.20 (e) An allocation awarded to the agency for mortgage bonds under this section may be
201.21 carried forward by the agency subject to notice requirements under section 474A.131.

201.22 Subd. 4. **Remaining bonding authority.** All remaining bonding authority available for
201.23 allocation under this section on December 1, is allocated to the Minnesota Housing Finance
201.24 Agency.

201.25 Subd. 5. **Return of allocation; deposit refund.** (a) If an issuer that receives an allocation
201.26 under this section determines that it will not issue obligations equal to all or a portion of
201.27 the allocation received under this section within ~~120~~ the applicable number of days ~~of~~ after
201.28 the allocation required in this chapter or within the time period permitted by federal tax law,
201.29 whichever is less, the issuer must notify the department. If the issuer notifies the department
201.30 ~~or the 120-day~~ such period since allocation has expired prior to the last Monday in November,
201.31 the amount of allocation is canceled and returned for reallocation through the unified pool.
201.32 If the issuer notifies the department on or after the last Monday in November, the amount
201.33 of allocation is canceled and returned for reallocation to the Minnesota Housing Finance
201.34 Agency. To encourage a competitive application process, the commissioner shall reserve,

202.1 for new applications, the amount of allocation that is canceled and returned for reallocation
202.2 under this section for a minimum of seven calendar days.

202.3 (b) An issuer that returns for reallocation all or a portion of an allocation for all types
202.4 of bonds other than residential rental project bonds received under this section within 120
202.5 days of the allocation shall receive within 30 days a refund equal to:

202.6 (1) one-half of the application deposit for the amount of bonding authority returned
202.7 within 30 days of receiving the allocation;

202.8 (2) one-fourth of the application deposit for the amount of bonding authority returned
202.9 between 31 and 60 days of receiving the allocation; and

202.10 (3) one-eighth of the application deposit for the amount of bonding authority returned
202.11 between 61 and 120 days of receiving the allocation.

202.12 ~~(e)~~ No refund of the application deposit shall be available for allocations returned on or
202.13 after the last Monday in November.

202.14 (c) An issuer that returns for reallocation all or a portion of an allocation for residential
202.15 rental project bonds received under this section within the earlier of 180 days of the allocation
202.16 or the end of the year shall receive within 30 days a refund equal to:

202.17 (1) one-half of the application deposit for the amount of bonding authority returned
202.18 within 45 days of receiving the allocation;

202.19 (2) one-fourth of the application deposit for the amount of bonding authority returned
202.20 between 46 and 90 days of receiving the allocation; and

202.21 (3) one-eighth of the application deposit for the amount of bonding authority returned
202.22 between 91 and 180 days of receiving the allocation.

202.23 No refund of the application deposit shall be available for allocations returned on or after
202.24 the last Monday in November.

202.25 Subd. 6. **Final allocation; carryforward.** Notwithstanding the notice requirements of
202.26 section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota
202.27 Housing Finance Agency on the last business day in December shall be carried forward
202.28 into the next calendar year by the commissioner for the Minnesota Housing Finance Agency.
202.29 Any authority carried forward shall be allocated to utilize such authority that is closest to
202.30 expiring first, and in all events, Minnesota Housing Finance Agency shall allocate its bonding
202.31 authority to utilize such authority carried forward prior to any current year's allocation.

203.1 Sec. 28. Minnesota Statutes 2016, section 474A.131, is amended to read:

203.2 **474A.131 NOTICE OF ISSUE AND NOTICE OF CARRYFORWARD.**

203.3 Subdivision 1. **Notice of issue.** Each issuer ~~that issues bonds~~ with an allocation received
203.4 under this chapter shall provide a notice of issue to the department on forms provided by
203.5 the department stating:

203.6 (1) the date of issuance of the bonds;

203.7 (2) the title of the issue;

203.8 (3) the principal amount of the bonds;

203.9 (4) the type of qualified bonds under federal tax law;

203.10 (5) the dollar amount of the bonds issued that were subject to the annual volume cap;

203.11 and

203.12 (6) for entitlement issuers, whether the allocation is from current year entitlement
203.13 authority or is from carryforward authority.

203.14 For obligations that are issued as a part of a series of obligations, a notice must be
203.15 provided for each series. A penalty of one-half of the amount of the application deposit not
203.16 to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not
203.17 provided to the department within five business days after issuance or before 4:30 p.m. on
203.18 the last business day in December, whichever occurs first. Within 30 days after receipt of
203.19 a notice of issue the department shall refund a portion of the application deposit equal to
203.20 one percent of the amount of the bonding authority actually issued if a one percent application
203.21 deposit was made, or equal to two percent of the amount of the bonding authority actually
203.22 issued if ~~a two percent~~ the applicable application deposit was made, less any penalty amount.

203.23 Subd. 1a. **Certificate of notice.** If an allocation received under this chapter is used for
203.24 mortgage credit certificates, a certificate notice must be submitted to the department on
203.25 forms provided by the department stating the date of the filing of the election not to issue
203.26 bonds as provided under section 25, paragraph (c), of the Internal Revenue Code and the
203.27 amount of allocation authority to be used under the program.

203.28 A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall
203.29 apply to any mortgage credit certificate program for which a certificate notice is not provided
203.30 to the department within five days of the date of the filing of the election not to issue bonds
203.31 or before the last Monday in December, whichever occurs first. Within 30 days after receipt
203.32 of a certificate notice the department shall refund a portion of the application deposit equal

204.1 to one percent of the amount of the bonding authority to be used for the mortgage credit
204.2 certificate program, less any penalty amount.

204.3 Subd. 1b. **Deadline for issuance of qualified bonds.** (a) If an issuer fails to notify the
204.4 department before 4:30 p.m. on the last business day in December of issuance of obligations
204.5 pursuant to an allocation received for any qualified bond project or issuance of an entitlement
204.6 allocation other than those involving residential rental bonds, the allocation is canceled and
204.7 the bonding authority is allocated to the Minnesota Housing Finance Agency for carryforward
204.8 by the commissioner under section 474A.091, subdivision 6.

204.9 (b) With respect to (1) an allocation received for a residential rental project for which
204.10 such obligations have not been issued before 4:30 p.m. on the last business day in December
204.11 and the time period for issuance of such obligations provided under section 474A.061,
204.12 subdivision 2a, or section 474A.091, subdivision 2, as applicable has not expired, or (2)
204.13 bonding authority reserved for a project for up to 24 months under section 474A.061,
204.14 subdivision 2a, or section 474A.091, subdivision 3, paragraph (f), as of 4:30 p.m. on the
204.15 last business day of December, such bonding authority shall be allocated to the Minnesota
204.16 Housing Finance Agency for carryforward by the commissioner under section 474A.091,
204.17 subdivision 6; provided, however, that such allocation shall remain reserved by the Minnesota
204.18 Housing Finance Agency for the residential rental project described in the original application
204.19 and the Minnesota Housing Finance Agency will have the fiduciary duty to issue such bonds
204.20 as intended by the originally intended issuer. In addition, any obligations issued by the
204.21 Minnesota Housing Finance Agency for a residential rental project that is subject to this
204.22 subdivision shall not be subject to the debt management policies of the Minnesota Housing
204.23 Finance Agency, as adopted and amended from time to time. The Minnesota Housing
204.24 Finance Agency shall not charge any issuer fees for an issuance under this subdivision and
204.25 all issuer fees shall be paid to the original applicant for the bonds. Notwithstanding this
204.26 paragraph, the Minnesota Housing Finance Agency may be reimbursed for its reasonable
204.27 costs to issue the bonds.

204.28 Subd. 2. **Carryforward notice.** If an issuer intends to carry forward an allocation received
204.29 under this chapter, it must notify the department in writing before 4:30 p.m. on the last
204.30 business day in December. This notice requirement does not apply to the Minnesota Housing
204.31 Finance Agency for the carryforward of unallocated unified pool balances or for the
204.32 carryforward of allocations of residential rental project bonds pursuant to subdivision 1b.

204.33 Subd. 3. **Irrevocable allocation.** The department may not revoke an allocation received
204.34 under this chapter after receiving a notice of issue or certificate notice from the issuer.

205.1 Subd. 4. **Allocation plan.** By January 15 of each year, the commissioner of the Minnesota
205.2 Housing Finance Agency shall annually prepare a tax-exempt bond allocation plan that
205.3 identifies the amount of tax-exempt bonds allocated to the Minnesota Housing Finance
205.4 Agency during the previous calendar year, identifies the amount of carryforward bonds and
205.5 the respective issuers pursuant to subdivision 1b, and for all other bond carryforward,
205.6 whether or not the Minnesota Housing Finance Agency intends to carryforward such bonds
205.7 not otherwise allocated in the previous year as qualified residential rental bonds or qualified
205.8 mortgage bonds or mortgage credit certificates consistent with the requirements of Internal
205.9 Revenue Service Form 8328, identifies the carryforward balance of any tax-exempt bonds
205.10 allocated to the Minnesota Housing Finance Agency including those bonds carried forward
205.11 as qualified residential rental bonds and qualified mortgage bonds or mortgage credit
205.12 certificates. Prior to January 15 of each year, the Minnesota Housing Finance Agency must
205.13 post on its official Web site the tax-exempt bond allocation plan and invite public comment
205.14 until February 1. The Minnesota Housing Finance Agency shall not file the Internal Revenue
205.15 Service Form 8328 until the public comment period had closed on February 1 unless
205.16 otherwise required by federal law.

205.17 Sec. 29. Minnesota Statutes 2016, section 474A.14, is amended to read:

205.18 **474A.14 NOTICE OF AVAILABLE AUTHORITY.**

205.19 The department shall provide at its official Web site a written notice of the amount of
205.20 bonding authority in the housing, small issue, and public facilities pools as soon after January
205.21 1 as possible. The department shall provide at its official Web site a written notice of the
205.22 amount of bonding authority available for allocation in the unified pool as soon after ~~August~~
205.23 July 1 as possible.

205.24 Sec. 30. Laws 2014, chapter 312, article 2, section 14, as amended by Laws 2016, chapter
205.25 189, article 7, section 8, and Laws 2017, chapter 94, article 6, section 17, is amended to
205.26 read:

205.27 **Sec. 14. ASSIGNED RISK TRANSFER.**

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

206.1 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
206.2 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
206.3 created under Minnesota Statutes, section 79.252, the commissioner of management and
206.4 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each year,
206.5 to the Minnesota minerals 21st century fund under Minnesota Statutes, section 116J.423.
206.6 This transfer occurs prior to any transfer under Minnesota Statutes, section 79.251,
206.7 subdivision 1, paragraph (a), clause (1), but after the transfers authorized in paragraphs (a)
206.8 and (f). The total amount authorized for all transfers under this paragraph must not exceed
206.9 \$24,100,000. This paragraph expires the day following the transfer in which the total amount
206.10 transferred under this paragraph to the Minnesota minerals 21st century fund equals
206.11 \$24,100,000.

206.12 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of an
206.13 audit that there is an excess surplus in the assigned risk plan created under Minnesota
206.14 Statutes, section 79.252, the commissioner of management and budget shall transfer the
206.15 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
206.16 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
206.17 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If a
206.18 transfer occurs under this paragraph, the amount transferred is appropriated from the general
206.19 fund in fiscal year 2015 to the commissioner of labor and industry for the purposes of section
206.20 15. Both the transfer and appropriation under this paragraph are onetime.

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

206.30 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of
206.31 management and budget shall transfer to the general fund, any unencumbered or unexpended
206.32 balance of the appropriations under paragraphs (c) and (d) remaining on June 30, 2016, or
206.33 the date the commissioner of commerce determines that an excess surplus in the assigned
206.34 risk plan does not exist, whichever occurs earlier.

207.1 (f) By June 30, ~~2017~~ 2018, and each year thereafter, if the commissioner of commerce
207.2 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
207.3 created under Minnesota Statutes, section 79.252, the commissioner of management and
207.4 budget shall transfer the amount of the excess surplus, not to exceed ~~\$2,000,000~~ \$3,000,000
207.5 each year, to the ~~rural policy and development center fund under Minnesota Statutes, section~~
207.6 ~~116J.4221~~ Minnesota manufactured home relocation trust fund established in Minnesota
207.7 Statutes, section 462A.35, subdivision 1. This transfer occurs prior to any transfer under
207.8 paragraph (b) or under Minnesota Statutes, section 79.251, subdivision 1, paragraph (a),
207.9 clause (1). The total amount authorized for all transfers under this paragraph must not exceed
207.10 ~~\$2,000,000~~ \$3,000,000. This paragraph expires the day following the transfer in which the
207.11 total amount transferred under this paragraph to the ~~rural policy and development center~~
207.12 ~~fund~~ Minnesota manufactured home relocation trust fund equals ~~\$2,000,000~~ \$3,000,000.

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

207.14 Sec. 31. **ADVANCES TO THE MINNESOTA MANUFACTURED HOME**
207.15 **RELOCATION TRUST FUND.**

207.16 (a) Until June 30, 2020, the Minnesota Housing Finance Agency is authorized to advance
207.17 up to \$400,000 from available resources to the Minnesota manufactured home relocation
207.18 trust fund established under Minnesota Statutes, section 462A.35, if the account balance in
207.19 the Minnesota manufactured home relocation trust fund is insufficient to pay the amounts
207.20 claimed under Minnesota Statutes, section 327C.095, subdivision 13.

207.21 (b) The Minnesota Housing Finance Agency shall be reimbursed from the Minnesota
207.22 manufactured home relocation trust fund for any money advanced by the agency under
207.23 paragraph (a) to the fund.

207.24 Sec. 32. **REPEALER.**

207.25 Minnesota Statutes 2016, section 471.9996, subdivision 2, is repealed.

207.26 Sec. 33. **EFFECTIVE DATE.**

207.27 Except as otherwise noted, sections 12 to 29 are effective the day following final
207.28 enactment.

207.29 **ARTICLE 9**

207.30 **LABOR AND INDUSTRY**

207.31 Section 1. Minnesota Statutes 2016, section 177.24, subdivision 1, is amended to read:

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

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

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

208.11 (3) "Employee receiving gratuities" means an employee who customarily and regularly
208.12 receives more than \$30 per month in gratuities.

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

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

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

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

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

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

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

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

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

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

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

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

208.26 (1) \$6.50 per hour beginning August 1, 2014;

208.27 (2) \$7.25 per hour beginning August 1, 2015;

208.28 (3) \$7.75 per hour beginning August 1, 2016; and

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

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

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

209.10 (1) \$7.25 per hour beginning August 1, 2014;

209.11 (2) \$7.50 per hour beginning August 1, 2015;

209.12 (3) \$7.75 per hour beginning August 1, 2016; and

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

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

209.17 (e) Notwithstanding paragraph (b), a large employer must pay an employee under the
209.18 age of 18 at a rate of at least:

209.19 (1) \$6.50 per hour beginning August 1, 2014;

209.20 (2) \$7.25 per hour beginning August 1, 2015;

209.21 (3) \$7.75 per hour beginning August 1, 2016; and

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

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

209.26 (f) No later than August 31 of each year, beginning in 2017, the commissioner shall
209.27 determine the percentage increase in the rate of inflation, as measured by the implicit price
209.28 deflator, national data for personal consumption expenditures as determined by the United
209.29 States Department of Commerce, Bureau of Economic Analysis during the 12-month period
209.30 immediately preceding that August or, if that data is unavailable, during the most recent
209.31 12-month period for which data is available. The minimum wage rates in paragraphs (b),
209.32 (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent;

210.1 or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum
210.2 wage rate shall not be reduced under this paragraph. The new minimum wage rates
210.3 determined under this paragraph take effect on the next January 1.

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

210.20 (2) The commissioner may in a year subsequent to issuing an order under clause (1),
210.21 make a supplemental increase in the minimum wage rate in addition to the increase for a
210.22 year calculated under paragraph (f). The supplemental increase may be in an amount up to
210.23 the full amount of the increase not put into effect because of the order. If the supplemental
210.24 increase is not the full amount, the commissioner may make a supplemental increase of the
210.25 difference, or any part of a difference, in a subsequent year until the full amount of the
210.26 increase ordered not to take effect has been included in a supplemental increase. In making
210.27 a determination to award a supplemental increase under this clause, the commissioner shall
210.28 use the same considerations and use the same process as for an order under clause (1). A
210.29 supplemental wage increase is not subject to and shall not be considered in determining
210.30 whether a wage rate increase exceeds the limits for annual wage rate increases allowed
210.31 under paragraph (f).

210.32 (h) Notwithstanding paragraph (b), every large employer must pay an employee receiving
210.33 gratuities a wage of at least:

211.1 (1) \$9.65 per hour if the employee earns sufficient gratuities during the workweek so
211.2 that the sum of \$9.65 per hour and gratuities received averages at least the amount established
211.3 for large employers under paragraph (j); or

211.4 (2) the greater of the wage rate under this section or United States Code, title 29, section
211.5 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
211.6 the sum of \$9.65 per hour and gratuities received averages at least the amount established
211.7 for large employers under paragraph (j).

211.8 (i) Notwithstanding paragraph (b), every small employer must pay an employee receiving
211.9 gratuities a wage of at least:

211.10 (1) \$7.87 per hour if the employee earns sufficient gratuities during the workweek so
211.11 that the sum of \$7.87 per hour and gratuities received averages at least the amount established
211.12 for small employers under paragraph (j); or

211.13 (2) the greater of the wage rate under this section or United States Code, title 29, section
211.14 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that
211.15 the sum of \$7.87 per hour and gratuities received averages at least the amount established
211.16 for small employers under paragraph (j).

211.17 (j)(1) For large employers, the average hourly wage and gratuity amount begins at \$14
211.18 and increases annually by the lesser of:

211.19 (i) two percent, rounded to the nearest cent; or

211.20 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
211.21 nearest cent.

211.22 (2) For small employers, the average hourly wage and gratuity amount begins at \$12
211.23 and increases annually by the lesser of:

211.24 (i) two percent, rounded to the nearest cent; or

211.25 (ii) the percentage calculated by the commissioner under paragraph (f), rounded to the
211.26 nearest cent.

211.27 An average hourly wage and gratuity amount shall not be reduced under this paragraph.

211.28 The adjusted average hourly wage and salary amounts determined under this paragraph take
211.29 effect on the next January 1.

212.1 Sec. 2. Minnesota Statutes 2016, section 182.666, subdivision 1, is amended to read:

212.2 Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly
212.3 violates the requirements of section 182.653, or any standard, rule, or order adopted under
212.4 the authority of the commissioner as provided in this chapter, may be assessed a fine not to
212.5 exceed ~~\$70,000~~ \$126,750 for each violation. The minimum fine for a willful violation is
212.6 ~~\$5,000~~ \$9,055.

212.7 Sec. 3. Minnesota Statutes 2016, section 182.666, subdivision 2, is amended to read:

212.8 Subd. 2. **Serious violations.** Any employer who has received a citation for a serious
212.9 violation of its duties under section 182.653, or any standard, rule, or order adopted under
212.10 the authority of the commissioner as provided in this chapter, shall be assessed a fine not
212.11 to exceed ~~\$7,000~~ \$12,675 for each violation. If a serious violation under section 182.653,
212.12 subdivision 2, causes or contributes to the death of an employee, the employer shall be
212.13 assessed a fine of up to \$25,000 for each violation.

212.14 Sec. 4. Minnesota Statutes 2016, section 182.666, subdivision 3, is amended to read:

212.15 Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation
212.16 of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically
212.17 determined not to be of a serious nature as provided in section 182.651, subdivision 12,
212.18 may be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

212.19 Sec. 5. Minnesota Statutes 2016, section 182.666, subdivision 4, is amended to read:

212.20 Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation
212.21 for which a citation has been issued under section 182.66 within the period permitted for
212.22 its correction, which period shall not begin to run until the date of the final order of the
212.23 commissioner in the case of any review proceedings under this chapter initiated by the
212.24 employer in good faith and not solely for delay or avoidance of penalties, may be assessed
212.25 a fine of not more than ~~\$7,000~~ \$12,675 for each day during which the failure or violation
212.26 continues.

212.27 Sec. 6. Minnesota Statutes 2016, section 182.666, subdivision 5, is amended to read:

212.28 Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements,
212.29 as prescribed under this chapter, except those prescribed under section 182.661, subdivision
212.30 3a, shall be assessed a fine of up to ~~\$7,000~~ \$12,675 for each violation.

213.1 Sec. 7. Minnesota Statutes 2016, section 182.666, is amended by adding a subdivision to
213.2 read:

213.3 Subd. 6a. **Increases for inflation.** (a) No later than August 31 of each year, beginning
213.4 in 2018, the commissioner shall determine the percentage increase in the rate of inflation,
213.5 as measured by the implicit price deflator, national data for personal consumption
213.6 expenditures as determined by the United States Department of Commerce, Bureau of
213.7 Economic Analysis during the 12-month period immediately preceding that August or, if
213.8 that data is unavailable, during the most recent 12-month period for which data is available.
213.9 The fines in subdivisions 1, 2, 3, 4, and 5, except for the fine for a serious violation under
213.10 section 182.653, subdivision 2, that causes or contributes to the death of an employee, are
213.11 increased by the lesser of (1) 2.5 percent, rounded to the nearest dollar amount evenly
213.12 divisible by ten, or (2) the percentage calculated by the commissioner, rounded to the nearest
213.13 dollar amount evenly divisible by ten.

213.14 (b) The fines increased under paragraph (a) shall not be increased to an amount greater
213.15 than the corresponding federal penalties for the specified violations promulgated in United
213.16 States Code, title 29, section 666, subsections (a)-(d), (i), as amended through November
213.17 5, 1990, and adjusted according to United States Code, title 28, section 2461, note (Federal
213.18 Civil Penalties Inflation Adjustment), as amended through November 2, 2015.

213.19 (c) A fine must not be reduced under this subdivision. A fine increased under this
213.20 subdivision takes effect on the next January 1.

213.21 Sec. 8. Minnesota Statutes 2016, section 326B.805, subdivision 3, is amended to read:

213.22 Subd. 3. **Prohibition.** Except as provided in subdivision 6, no persons required to be
213.23 licensed by subdivision 1 may act or hold themselves out as a residential building contractor,
213.24 residential remodeler, residential roofer, or manufactured home installer for compensation
213.25 without a license issued by the commissioner. Unlicensed residential building contractor,
213.26 residential remodeler, or residential roofer activity is a gross misdemeanor.

213.27 Sec. 9. **REPEALER.**

213.28 Minnesota Statutes 2016, section 177.24, subdivision 2, is repealed.

214.1

ARTICLE 10

214.2

LAKE WINONA MANAGEMENT

214.3

Section 1. LAKE WINONA MANAGEMENT; USING OFFSET, ADAPTIVE

214.4

PLANNING.

214.5

(a) To facilitate implementation of the Lake Winona total maximum daily load, the

214.6

Alexandria Lake Area Sanitary District may fund or perform lake management activities

214.7

in Lake Winona and in Lake Agnes. Lake management activities may include but are not

214.8

limited to carp removal and alum treatment. If the district agrees to fund or perform lake

214.9

management activities in Lake Winona and in Lake Agnes, the commissioner of the Pollution

214.10

Control Agency shall do one of the following unless the district chooses another path to

214.11

compliance that conforms to state and federal law, such as facility construction:

214.12

(1) approve an offset of the phosphorous loading proportional to the reduction achievable

214.13

through lake management activities in Lake Winona and Lake Agnes creditable to the

214.14

Alexandria Lake Area Sanitary District's wastewater treatment facility and issue or amend

214.15

the district's NPDES permit MN004738 to include the offset. The approved offset may be

214.16

related to the lake eutrophication response variable chlorophyll-a, but shall ensure the district

214.17

can achieve compliance with phosphorus effluent limits through wastewater optimization

214.18

techniques without performing capital upgrades to the wastewater treatment facility. The

214.19

lake management activities contemplated under paragraph (a) need not be completed before

214.20

the commissioner approves the offset and related discharge limits or issues the permit, but

214.21

the permit may include a schedule of compliance outlining the required lake management

214.22

activities and requiring that lake management activities in Lake Winona and Lake Agnes

214.23

begin immediately upon permit issuance. The approved offset and related permit language

214.24

must be consistent with Clean Water Act requirements and Minnesota Statutes, section

214.25

115.03, subdivision 10; or

214.26

(2) amend the district's NPDES permit MN004738 in a manner consistent with state and

214.27

federal law to include an integrated and adaptive lake management plan and to extend the

214.28

final compliance deadline for the final phosphorus concentration effluent limit related to

214.29

the site specific standard for Lake Winona contained in the district's permit until such time

214.30

that carp removal in Lake Winona can be completed and the lake can be reassessed. The

214.31

permit may include a schedule of compliance outlining the required lake management

214.32

activities and requiring that lake management activities in Lake Winona and Lake Agnes

214.33

begin immediately upon permit issuance.

215.1 (b) If the district agrees to fund or perform the lake management activities identified in
215.2 paragraph (a), the district may cooperate with the city of Alexandria in those efforts. The
215.3 district's responsibility for lake management activities in Lake Winona and Lake Agnes
215.4 terminates upon completion of the lake management activities identified in the schedule of
215.5 compliance contemplated under paragraph (a).

215.6 **EFFECTIVE DATE.** This section is effective the day after the governing body of the
215.7 Alexandria Lake Area Sanitary District and its chief clerical officer timely complete their
215.8 compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

215.9 **ARTICLE 11**

215.10 **LOCAL GOVERNMENT**

215.11 Section 1. Minnesota Statutes 2016, section 465.73, is amended to read:

215.12 **465.73 LOAN FROM, SECURED BY U.S. AGRICULTURE DEPARTMENT**
215.13 **AGENCY.**

215.14 For purposes of constructing, repairing, or acquiring city halls, town halls, fire halls or
215.15 fire or rescue equipment, or libraries or child care facilities if otherwise authorized by law,
215.16 a statutory city, home rule charter city, county, or town may borrow not to exceed ~~\$450,000~~
215.17 \$750,000 from (i) funds granted to a rural electric cooperative organized under chapter
215.18 308A by the United States Department of Agriculture Rural Business-Cooperative Service
215.19 or (ii) directly from or in the form of funds guaranteed by the Rural Housing Service or
215.20 other agency of the United States Department of Agriculture by a note secured by a mortgage
215.21 or other security agreement on the property purchased with the borrowed funds. The city,
215.22 county, or town may pledge its full faith and credit and assign or pledge the revenues, if
215.23 any, from the facilities or equipment so financed together with any other properly available
215.24 funds to secure the loan. The obligation of the note is not to be included when computing
215.25 the net debt of the city, county, or town, nor is the approval of the voters required for the
215.26 issuance of the note.

215.27 **ARTICLE 12**

215.28 **TELECOMMUNICATIONS**

215.29 Section 1. Minnesota Statutes 2016, section 116J.394, is amended to read:

215.30 **116J.394 DEFINITIONS.**

215.31 (a) For the purposes of sections 116J.394 to 116J.398, the following terms have the
215.32 meanings given them.

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

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

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

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

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

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

216.14 (h) "Satellite broadband equipment" means a satellite dish or modem installed at a
216.15 broadband user's location in order to receive broadband service from a satellite broadband
216.16 provider.

216.17 (i) "Satellite broadband provider" means an entity that provides broadband service by
216.18 means of wireless signals transmitted between communication stations orbiting the earth
216.19 and satellite broadband equipment installed at a broadband user's location.

216.20 (j) "Satellite dish" means a parabolic aerial installed on a building exterior that receives
216.21 signals from and transmits signals to a satellite broadband provider's satellite communication
216.22 station orbiting the earth.

216.23 (k) "Underserved areas" means areas of Minnesota in which households or businesses
216.24 lack access to wire-line broadband service at speeds of at least 100 megabits per second
216.25 download and at least 20 megabits per second upload.

216.26 (†) (l) "Unserved areas" means areas of Minnesota in which households or businesses
216.27 lack access to wire-line broadband service, as defined in section 116J.39.

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

216.29 Sec. 2. Minnesota Statutes 2016, section 116J.395, subdivision 2, is amended to read:

216.30 Subd. 2. **Eligible expenditures.** (a) Grants may be awarded under this section to fund
216.31 the acquisition and installation of:

217.1 (1) middle-mile and last-mile infrastructure that support broadband service scalable to
217.2 speeds of at least 100 megabits per second download and 100 megabits per second upload;
217.3 and

217.4 (2) satellite broadband equipment installed on the premises of a broadband user located
217.5 in an unserved area that can support broadband speeds of at least 25 megabits per second
217.6 download and three megabits per second upload.

217.7 (b) Grants may be awarded under this section to fund monthly satellite broadband service
217.8 charges for a period of 12 months for a subscriber whose satellite broadband equipment has
217.9 been partially funded by a grant under paragraph (a), clause (2).

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

217.11 Sec. 3. Minnesota Statutes 2016, section 116J.395, subdivision 5, is amended to read:

217.12 Subd. 5. **Application contents.** An applicant for a grant under this section shall provide
217.13 the following information on the application:

217.14 (1) the location of the project;

217.15 (2) the kind and amount of broadband infrastructure or satellite broadband equipment
217.16 to be purchased for the project;

217.17 (3) evidence regarding the unserved or underserved nature of the community in which
217.18 the project is to be located;

217.19 (4) the number of households passed that will have access to broadband service as a
217.20 result of the project, or whose broadband service will be upgraded as a result of the project;

217.21 (5) significant community institutions that will benefit from the proposed project;

217.22 (6) evidence of community support for the project;

217.23 (7) the total cost of the project;

217.24 (8) sources of funding or in-kind contributions for the project that will supplement any
217.25 grant award;

217.26 (9) evidence that no later than six weeks before submission of the application the applicant
217.27 contacted, in writing, all entities providing broadband service in the proposed project area
217.28 to ask for each broadband service provider's plan to upgrade broadband service in the project
217.29 area to speeds that meet or exceed the state's broadband speed goals in section 237.012,
217.30 subdivision 1, within the time frame specified in the proposed grant activities;

218.1 (10) the broadband service providers' written responses to the inquiry made under clause
218.2 (9); and

218.3 (11) any additional information requested by the commissioner.

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

218.5 Sec. 4. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

218.6 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than:

218.7 (1) 50 percent of the total cost of a project- under subdivision 2, paragraph (a), clause

218.8 (1);

218.9 (2) 50 percent of the total cost of satellite broadband equipment installed at user locations,

218.10 up to \$300; or

218.11 (3) \$600 in monthly satellite broadband subscription charges.

218.12 (b) Grants awarded to a single project under this section must not exceed \$5,000,000.

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

218.14 **ARTICLE 13**

218.15 **STATE GOVERNMENT APPROPRIATIONS**

218.16 Section 1. **APPROPRIATIONS.**

218.17 The sums shown in the columns marked "Appropriations" are added to or, if shown in
218.18 parentheses, subtracted from the appropriations in Laws 2017, First Special Session chapter
218.19 4, article 1, to the agencies and for the purposes specified in this article. The appropriations
218.20 are from the general fund, or another named fund, and are available for the fiscal years
218.21 indicated for each purpose. The figures "2018" and "2019" used in this article mean that
218.22 the appropriations listed under them are available for the fiscal year ending June 30, 2018,
218.23 or June 30, 2019, respectively.

218.24	<u>APPROPRIATIONS</u>	
218.25	<u>Available for the Year</u>	
218.26	<u>Ending June 30</u>	
218.27	<u>2018</u>	<u>2019</u>

218.28 Sec. 2. **LEGISLATURE** 314,000

218.29 These amounts are from the general fund for
218.30 the Legislative Coordinating Commission, as
218.31 follows:

219.1 (1) \$120,000 is for the transfer of
 219.2 responsibilities related to the Pew-MacArthur
 219.3 Results First framework. The base for this
 219.4 appropriation is \$177,000 in fiscal year 2020
 219.5 and \$185,000 in fiscal year 2021;

219.6 (2) \$104,000 is for digital preservation of
 219.7 legislative records by the Legislative
 219.8 Reference Library. This is a onetime
 219.9 appropriation; and

219.10 (3) \$90,000 is for rent payments for the Office
 219.11 of the Revisor of Statutes. This is a onetime
 219.12 appropriation.

219.13 **Sec. 3. STATE AUDITOR** **\$** **.....** **\$** **(269,094)**

219.14 This is a general reduction to office operations.
 219.15 In addition to the requirements of section 16,
 219.16 the auditor may not reduce operations or
 219.17 services related to public pensions.

219.18 **Sec. 4. ATTORNEY GENERAL** **\$** **.....** **\$** **(1,000,000)**

219.19 This is a general reduction to office operations,
 219.20 subject to the requirements of section 16.

219.21 **Sec. 5. SECRETARY OF STATE** **\$** **.....** **\$** **1,754,000**

219.22 Of these amounts:

219.23 (1) \$220,000 is appropriated from the political
 219.24 party accounts established in the special
 219.25 revenue fund under Minnesota Statutes,
 219.26 section 10A.30, subdivision 2, for deposit in
 219.27 the Help America Vote Act Account
 219.28 established under Minnesota Statutes, section
 219.29 5.30. This amount is for purposes that
 219.30 constitute the state match necessary to receive
 219.31 \$6,595,610 in federal funds for cybersecurity
 219.32 under the Omnibus Appropriations Act of

220.1 2018, Public Law 115-1410, and section 101
 220.2 of the Help America Vote Act of 2002 under
 220.3 Public Law 107-252. This is a onetime
 220.4 appropriation; and
 220.5 (2) \$1,534,000 is appropriated from the Help
 220.6 America Vote Act account established under
 220.7 Minnesota Statutes, section 5.30, for the
 220.8 purposes of modernizing, securing, and
 220.9 updating the statewide voter registration
 220.10 system and for cybersecurity upgrades as
 220.11 authorized by federal law. This is a onetime
 220.12 appropriation and is available until June 30,
 220.13 2020.

220.14 **Sec. 6. ADMINISTRATIVE HEARINGS** **\$** **..... \$** **525,000**

220.15 These amounts are from the general fund for
 220.16 the information policy analysis unit established
 220.17 in Minnesota Statutes, section 13.071.

220.18 **Sec. 7. ADMINISTRATION** **\$** **..... \$** **(1,243,000)**

220.19 These amounts include reductions as follows:
 220.20 (1) the Office of Continuous Improvement is
 220.21 reduced by \$418,000;
 220.22 (2) the State Historic Preservation Office is
 220.23 reduced by \$300,000 in fiscal year 2019. The
 220.24 base for this appropriation in fiscal years 2020
 220.25 and 2021 is reduced by \$200,000 each year;
 220.26 and
 220.27 (3) the Data Practices Office is reduced by
 220.28 \$525,000.

220.29 **Sec. 8. MINNESOTA MANAGEMENT AND**
 220.30 **BUDGET** **\$** **129,094** **\$** **4,090,000**

220.31 (a) \$4,000,000 is from the amounts transferred
 220.32 to the general fund from the stadium reserve

221.1 account under section 18, to establish an office
221.2 to investigate allegations of harassment,
221.3 misconduct, and discrimination, as provided
221.4 in Minnesota Statutes, section 43A.385. Of
221.5 these amounts:

221.6 (1) \$2,591,000 is to establish the office, to
221.7 review and investigate claims, and to maintain,
221.8 analyze, and report data as required by
221.9 Minnesota Statutes, section 43A.385,
221.10 subdivisions 1 and 2;

221.11 (2) \$255,000 is a onetime appropriation to
221.12 administer and evaluate an employee
221.13 community survey as required by Minnesota
221.14 Statutes, section 43A.385, subdivision 3;

221.15 (3) \$26,000 is to study, develop, and maintain
221.16 a complaint hotline, as provided by Minnesota
221.17 Statutes, section 43A.385, subdivision 4;

221.18 (4) \$316,000 is a onetime appropriation to
221.19 establish an audit process to review policies,
221.20 procedures, and outcomes enterprise-wide, as
221.21 provided by Minnesota Statutes, section
221.22 43A.385, subdivision 5; and

221.23 (5) \$812,000 is to provide training on
221.24 harassment, misconduct, and discrimination
221.25 policy, as provided by Minnesota Statutes,
221.26 section 43A.385, subdivision 6.

221.27 No later than February 15, 2019, the
221.28 commissioner of management and budget must
221.29 submit a report to the chairs and ranking
221.30 minority members of the legislative
221.31 committees with jurisdiction over state
221.32 government finance on the reduced human
221.33 resources workload and other cost savings
221.34 realized by individual agencies due to the

222.1 consolidation of these activities in a single
222.2 office.

222.3 The base for this appropriation is \$3,429,000
222.4 in fiscal year 2020 and thereafter.

222.5 (b) \$140,000 is from the general fund for
222.6 grants to reimburse the documented litigation
222.7 costs incurred by counties in defending the
222.8 constitutionality of Minnesota Statutes, section
222.9 6.481, as enacted in Laws 2015, chapter 77,
222.10 article 2, section 3, in *Otto v. Wright County,*
222.11 *et. al.* (A16-1634). The grants must be
222.12 apportioned as follows:

222.13 (1) up to \$70,000 is for a grant to Wright
222.14 County; and

222.15 (2) up to \$70,000 is for a grant to Becker
222.16 County.

222.17 This is a onetime appropriation. The
222.18 commissioner must provide each grant upon
222.19 certification of the final litigation costs
222.20 incurred by the affected county, provided that
222.21 the total grant must not exceed the amounts
222.22 specified in this paragraph.

222.23 (c) Notwithstanding any provision of law to
222.24 the contrary, \$129,094 in fiscal year 2018 is
222.25 from the general fund for a payment to the city
222.26 of Austin, for both its 2016 fire state aid
222.27 payment under Minnesota Statutes, section
222.28 69.021, subdivision 7, and its 2016
222.29 supplemental state aid payment under
222.30 Minnesota Statutes, section 423A.022, upon
222.31 certification by the city that the sum of the fire
222.32 state aid and the supplemental state aid that
222.33 the city transmitted to the Austin Parttime
222.34 Firefighters Relief Association in calendar

223.1 year 2015 to fund the volunteers firefighters'
 223.2 service pensions met or exceeded the amount
 223.3 required under the bylaws of that association.
 223.4 Of these amounts:
 223.5 (1) \$103,892 is for the fire state aid; and
 223.6 (2) \$25,202 is for the supplemental state aid.
 223.7 This is a onetime appropriation. The payment
 223.8 required by this paragraph must be provided
 223.9 no later than June 30, 2018.
 223.10 (d) The department's fiscal year 2019
 223.11 appropriation includes a reduction of \$50,000
 223.12 resulting from the transfer of the
 223.13 Pew-MacArthur Results First framework
 223.14 responsibilities to the legislature. The
 223.15 department's base for fiscal years 2020 and
 223.16 2021 is reduced by \$122,000 each year to
 223.17 reflect this transfer.
 223.18 (e) No later than December 31, 2018, the
 223.19 commissioner must credit at least \$500,000
 223.20 to the general fund based on savings realized
 223.21 through implementation of the employee
 223.22 gainsharing program required by Minnesota
 223.23 Statutes, section 16A.90. If a credit of at least
 223.24 this amount has not been made to the general
 223.25 fund as of that date, the appropriation provided
 223.26 in this subdivision for fiscal year 2019 is
 223.27 reduced in an amount equal to the difference
 223.28 between the amount actually credited to the
 223.29 general fund and the total credit required by
 223.30 this paragraph.

223.31 Sec. 9. REVENUE \$ \$ (3,880,000)

224.1 (a) These amounts include a general reduction
 224.2 to agency operations, subject to the
 224.3 requirements of section 16, of \$3,895,000.

224.4 (b) \$15,000 is from the general fund for
 224.5 preparing and submitting a supplemental 2018
 224.6 tax incidence report meeting the requirements
 224.7 of Minnesota Statutes, section 270C.13,
 224.8 subdivision 1, as amended in article 14, section
 224.9 60. This is a onetime appropriation. The
 224.10 supplemental report must be completed and
 224.11 submitted no later than January 2, 2019.

224.12 **Sec. 10. HUMAN RIGHTS** **\$** **..... \$** **(1,409,000)**

224.13 These amounts may not be used to reduce the
 224.14 operations or services of the department's
 224.15 regional office in St. Cloud.

224.16 **Sec. 11. MINNESOTA HISTORICAL**
 224.17 **SOCIETY** **\$** **..... \$** **1,000,000**

224.18 These amounts are from the general fund, for
 224.19 digital preservation and access, including
 224.20 planning and implementation of a program to
 224.21 preserve and make available resources related
 224.22 to Minnesota history. This is a onetime
 224.23 appropriation.

224.24 **Sec. 12. MINNESOTA HUMANITIES CENTER** **\$** **..... \$** **710,000**

224.25 (a) \$210,000 is from the general fund for the
 224.26 Healthy Eating, Here at Home program under
 224.27 Minnesota Statutes, section 138.912. This is
 224.28 a onetime appropriation. No more than three
 224.29 percent of the appropriation may be used for
 224.30 the nonprofit administration of this program.

224.31 (b) \$250,000 is from the general fund for a
 224.32 grant to Everybody Wins!-Minnesota, a

226.1 (b) These veterans homes are subject to the
226.2 requirements of The People's Veterans Homes
226.3 Act, as provided in article 14, section 84. This
226.4 is a onetime appropriation, and is available
226.5 until June 30, 2021. The appropriations are
226.6 not available until the commissioner of
226.7 management and budget, in consultation with
226.8 the commissioner of veterans affairs,
226.9 determines that amounts sufficient to complete
226.10 the projects are committed from nonstate
226.11 sources.

226.12 Sec. 15. Laws 2017, chapter 2, article 1, section 7, as amended by Laws 2017, First Special
226.13 Session chapter 6, article 5, section 9, is amended to read:

226.14 **Sec. 7. APPROPRIATIONS.**

226.15 (a) \$311,788,000 in fiscal year 2017 is appropriated from the general fund to the
226.16 commissioner of management and budget for premium assistance under section 2. This
226.17 appropriation is onetime and is available through August 31, 2018.

226.18 (b) \$157,000 in fiscal year 2017 is appropriated from the general fund to the legislative
226.19 auditor for purposes of section 3. This appropriation is onetime.

226.20 (c) \$75,391,000 is canceled from the appropriation in paragraph (a) to the budget reserve
226.21 account under Minnesota Statutes, section 16A.152, subdivision 1a.

226.22 ~~(e)~~ (d) Any remaining unexpended amount from the appropriation in paragraph (a) after
226.23 June 30, 2018, shall be transferred no later than August 31, 2018, from the general fund to
226.24 the budget reserve account under Minnesota Statutes, section 16A.152, subdivision 1a.

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

226.26 **Sec. 16. REDUCED APPROPRIATIONS; PRESERVATION OF PROGRAMS AND**
226.27 **SERVICES.**

226.28 To the extent that appropriations provided by this article reflect reductions in amounts
226.29 appropriated under Laws 2017, First Special Session chapter 4, and the purpose for the
226.30 reduction is not otherwise specified, the affected constitutional office, agency, or board
226.31 must allocate the reduction across all program activities, prioritizing reductions to central

227.1 administration and general operations. Unless otherwise specified, reductions must not be
227.2 made to programs or services that are provided directly to members of the public.

227.3 **Sec. 17. EXECUTIVE AGENCY APPROPRIATIONS; MNLARS TARGETED**
227.4 **REDUCTIONS.**

227.5 (a) By October 31, 2018, the commissioner of management and budget must, with the
227.6 approval of the governor and after consulting the Legislative Advisory Commission, reduce
227.7 general fund appropriations for executive agency operating expenditures by \$9,650,000 for
227.8 the biennium ending June 30, 2019. This is a onetime reduction. In making reductions, the
227.9 commissioner must prioritize reductions to any increased central operating or administrative
227.10 expenses within an agency that resulted from the enactment of operating adjustments for
227.11 that agency for the biennium ending June 30, 2019, compared to appropriations enacted for
227.12 the agency for the biennium ending June 30, 2017. The commissioner must not reduce
227.13 appropriations for client-facing health care, corrections, public safety, mental health
227.14 programs, or other services that are provided directly to members of the public.

227.15 (b) By June 30, 2018, the commissioner of management and budget must transfer
227.16 \$7,500,000 from the general fund to the driver services operating account in the special
227.17 revenue fund, or its successor fund, and \$2,150,000 to the vehicle services operating account
227.18 in the special revenue fund, or its successor fund.

227.19 (c) For purposes of this subdivision, "executive agency" has the meaning given in
227.20 Minnesota Statutes, section 16A.011, subdivision 12, and includes constitutional officers.

227.21 **Sec. 18. MINNESOTA SPORTS FACILITIES AUTHORITY; STADIUM RESERVE**
227.22 **TRANSFER.**

227.23 \$30,817,000 must be transferred to the unrestricted general fund from the general reserve
227.24 account established by the commissioner of management and budget under Minnesota
227.25 Statutes, section 297E.021, no later than June 30, 2019. This is a onetime transfer.

227.26 **Sec. 19. MN.IT PRIORITIZATION OF CYBERSECURITY.**

227.27 The state chief information officer must prioritize the enhancement of cybersecurity
227.28 across state government when expending any appropriations or fund transfers provided to
227.29 the Office of MN.IT Services, including but not limited to those provided by Laws 2017,
227.30 First Special Session chapter 4, article 1, section 10, and amounts credited to the information
227.31 and telecommunications technology systems and services account established under
227.32 Minnesota Statutes, section 16E.21.

228.1 Sec. 20. **EFFECTIVE DATE.**

228.2 This article is effective the day following final enactment.

228.3 **ARTICLE 14**

228.4 **STATE GOVERNMENT OPERATIONS**

228.5 Section 1. Minnesota Statutes 2016, section 1.26, subdivision 1, is amended to read:

228.6 Subdivision 1. ~~Political subdivision defined~~ **Definitions.** As used in this section:

228.7 (1) "declared emergency" has the meaning given in section 12.03, subdivision 1e; and

228.8 (2) "political subdivision" includes counties, home rule charter and statutory cities,
228.9 towns, townships, school districts, authorities, and other public corporations and entities
228.10 whether organized and existing under charter or general law.

228.11 Sec. 2. Minnesota Statutes 2016, section 1.26, subdivision 2, is amended to read:

228.12 Subd. 2. **State government.** When, due to ~~an emergency resulting from the effects of~~
228.13 ~~enemy attack, or the anticipated effects of a threatened enemy attack~~ a declared emergency,
228.14 it becomes imprudent, inexpedient, or impossible to conduct the affairs of state government
228.15 in the city of St. Paul, Ramsey County, Minnesota, the governor shall, as often as the
228.16 exigencies of the situation require, by proclamation, declare an emergency temporary
228.17 location, or locations, for the seat of government at a place, or places, in or out of the state
228.18 as the governor deems advisable under the circumstances, and shall take action and issue
228.19 orders as necessary for an orderly transition of the affairs of state government to the
228.20 emergency temporary location, or locations. To the extent practical, the governor's orders
228.21 must be consistent with the state comprehensive emergency operations plan required by
228.22 section 12.21, subdivision 3. The emergency temporary location, or locations, shall remain
228.23 the seat of government until the legislature by law establishes a new location, or locations,
228.24 or until the emergency is declared to be ended by the governor and the seat of government
228.25 is returned to its normal location.

228.26 Sec. 3. **[2.92] DISTRICTING PRINCIPLES.**

228.27 Subdivision 1. **Applicability.** The principles in this section apply to legislative and
228.28 congressional districts.

228.29 Subd. 2. **Nesting.** A representative district may not be divided in the formation of a
228.30 senate district.

229.1 Subd. 3. **Equal population.** (a) Legislative districts must be substantially equal in
229.2 population. The population of a legislative district must not deviate from the ideal by more
229.3 than 0.5 percent, plus or minus.

229.4 (b) Congressional districts must be as nearly equal in population as practicable.

229.5 Subd. 4. **Contiguity; compactness.** The districts must be composed of convenient
229.6 contiguous territory. To the extent consistent with the other principles in this section, districts
229.7 should be compact. Contiguity by water is sufficient if the water is not a serious obstacle
229.8 to travel within the district. Point contiguity is not sufficient.

229.9 Subd. 5. **Numbering.** (a) Legislative districts must be numbered in a regular series,
229.10 beginning with house district 1A in the northwest corner of the state and proceeding across
229.11 the state from west to east, north to south, but bypassing the 11-county metropolitan area
229.12 until the southeast corner has been reached; then to the 11-county metropolitan area. In a
229.13 county that includes more than one whole senate district, the districts must be numbered
229.14 consecutively.

229.15 (b) Congressional district numbers must begin with district one in the southeast corner
229.16 of the state and end with district eight in the northeast corner of the state.

229.17 Subd. 6. **Minority representation.** (a) The dilution of racial or ethnic minority voting
229.18 strength is contrary to the laws of the United States and the state of Minnesota. These
229.19 principles must not be construed to supersede any provision of the Voting Rights Act of
229.20 1965, as amended.

229.21 (b) A redistricting plan must not have the intent or effect of dispersing or concentrating
229.22 minority population in a manner that prevents minority communities from electing their
229.23 candidates of choice.

229.24 Subd. 7. **Minor civil divisions.** (a) A county, city, or town must not be unduly divided
229.25 unless required to meet equal population requirements or to form districts composed of
229.26 convenient, contiguous territory.

229.27 (b) A county, city, or town is not unduly divided in the formation of a legislative or
229.28 congressional district if:

229.29 (1) the division occurs because a portion of a city or town is noncontiguous with another
229.30 portion of the same city or town; or

229.31 (2) despite the division, the known population of any affected county, city, or town
229.32 remains wholly located within a single district.

230.1 Subd. 8. **Preserving communities of interest.** (a) Districts should attempt to preserve
230.2 identifiable communities of interest where that can be done in compliance with the principles
230.3 under this section.

230.4 (b) For purposes of this subdivision, "communities of interest" means recognizable areas
230.5 with similarities of interests including but not limited to racial, ethnic, geographic, social,
230.6 or cultural interests.

230.7 Subd. 9. **Data to be used.** (a) The geographic areas and population counts used in maps,
230.8 tables, and legal descriptions of the districts must be those used by the Geographic
230.9 Information Systems Office of the Legislative Coordinating Commission. The population
230.10 counts shall be the block population counts provided to the state under Public Law 94-171
230.11 after each decennial census, subject to correction of any errors acknowledged by the United
230.12 States Census Bureau.

230.13 (b) Nothing in this subdivision prohibits the use of additional data, as determined by the
230.14 legislature.

230.15 Subd. 10. **Consideration of plans.** A redistricting plan must not be considered for
230.16 adoption by the senate or house of representatives until a block equivalency file showing
230.17 the district to which each census block has been assigned, in a form prescribed by the director
230.18 of the Geographic Information Systems Office, has been filed with the director.

230.19 Subd. 11. **Priority of principles.** Where it is not possible to fully comply with the
230.20 principles contained in subdivisions 2 to 8, a redistricting plan must give priority to those
230.21 principles in the order in which they are listed, except to the extent that doing so would
230.22 violate federal or state law.

230.23 **EFFECTIVE DATE.** This section is effective the day following final enactment and
230.24 applies to any plan for districts enacted or established for use on or after that date.

230.25 Sec. 4. Minnesota Statutes 2016, section 3.303, is amended by adding a subdivision to
230.26 read:

230.27 Subd. 12. **Emergency operations and continuity of the legislative branch.** The
230.28 commission must adopt and regularly review an emergency operations and continuity of
230.29 government plan for the legislative branch, as required by section 12.401.

230.30 Sec. 5. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

230.31 Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The
230.32 commission must monitor appointments to the Metropolitan Council and may make

231.1 recommendations on appointments ~~to the nominating committee under section 473.123,~~
231.2 ~~subdivision 3,~~ or to the governor before the governor makes the appointments. The
231.3 commission may also make recommendations to the senate before appointments are presented
231.4 to the senate for its advice and consent.

231.5 Sec. 6. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
231.6 to read:

231.7 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
231.8 ~~under control of the Legislative Coordinating Commission~~ to provide the house of
231.9 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
231.10 impact of proposed legislation, without regard to political factors.

231.11 **EFFECTIVE DATE.** This section is effective July 1, 2018.

231.12 Sec. 7. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 1, is amended
231.13 to read:

231.14 Subdivision 1. **Establishment; duties.** The Legislative Budget Office is established
231.15 under control of the Legislative Coordinating Commission to provide the house of
231.16 representatives and senate with nonpartisan, accurate, and timely information on the fiscal
231.17 impact of proposed legislation, and to evaluate the effectiveness of state and county programs
231.18 authorized by the legislature using the return on taxpayer investment methodology established
231.19 by the Pew-MacArthur Results First framework. The duties of the office must be conducted
231.20 without regard to political factors.

231.21 **EFFECTIVE DATE.** This section is effective January 8, 2019.

231.22 Sec. 8. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
231.23 subdivision to read:

231.24 Subd. 1a. **Oversight commission.** (a) The Legislative Budget Office Oversight
231.25 Commission is established. The commission consists of:

231.26 (1) two members of the senate appointed by the Subcommittee on Committees of the
231.27 Committee on Rules and Administration;

231.28 (2) two members of the senate appointed by the senate minority leader;

231.29 (3) two members of the house of representatives appointed by the speaker of the house;
231.30 and

231.31 (4) two members of the house of representatives appointed by the minority leader.

232.1 The director of the Legislative Budget Office is the executive secretary of the commission.
232.2 The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan
232.3 fiscal analyst of the senate, the state budget director, and the legislative auditor are ex-officio,
232.4 nonvoting members of the commission.

232.5 (b) Members serve at the pleasure of the appointing authority, or until they are not
232.6 members of the legislative body from which they were appointed. Appointing authorities
232.7 shall fill vacancies on the commission within 30 days of a vacancy being created.

232.8 (c) The commission shall meet in January of each odd-numbered year to elect its chair
232.9 and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall
232.10 alternate biennially between the senate and the house of representatives. The commission
232.11 shall meet at the call of the chair. The members shall serve without compensation but may
232.12 be reimbursed for their reasonable expenses consistent with the rules of the legislature
232.13 governing expense reimbursement.

232.14 (d) The commission shall review the work of the Legislative Budget Office and make
232.15 recommendations, as the commission determines necessary, to improve the office's ability
232.16 to fulfill its duties, and shall perform other functions as directed by this section.

232.17 **EFFECTIVE DATE; FIRST MEETING.** This section is effective the day following
232.18 final enactment. Appointments to the oversight commission must be made no later than
232.19 June 15, 2018. The chair of the Legislative Coordinating Commission must designate one
232.20 appointee to convene the commission's first meeting. The designated appointee must convene
232.21 the first meeting no later than July 1, 2018.

232.22 Sec. 9. Minnesota Statutes 2017 Supplement, section 3.8853, subdivision 2, is amended
232.23 to read:

232.24 Subd. 2. **Staff.** ~~The Legislative Coordinating Commission~~ Legislative Budget Office
232.25 Oversight Commission must appoint a director ~~who~~ and establish the director's duties. The
232.26 director may hire staff necessary to do the work of the office. The director serves in the
232.27 unclassified service for a term of six years and may not be removed during a term except
232.28 for cause after a public hearing. The director of the office is a public official for purposes
232.29 of sections 10A.07 to 10A.09.

232.30 **EFFECTIVE DATE.** This section is effective July 1, 2018.

233.1 Sec. 10. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
233.2 subdivision to read:

233.3 Subd. 3. **Standards and guidelines.** The Legislative Budget Office must adopt uniform
233.4 standards, guidelines, and procedures governing the timely preparation of fiscal notes as
233.5 required by this section and section 3.98. The standards, guidelines, and procedures are not
233.6 effective until they are approved by the oversight commission. Upon approval, the standards
233.7 and guidelines must be published in the State Register and on the office's Web site.

233.8 **EFFECTIVE DATE.** This section is effective January 8, 2019, provided that the uniform
233.9 procedures to be used may be developed and adopted by the oversight commission prior to
233.10 the effective date of this section.

233.11 Sec. 11. Minnesota Statutes 2017 Supplement, section 3.8853, is amended by adding a
233.12 subdivision to read:

233.13 Subd. 4. **Access to data.** (a) Upon request of the director of the Legislative Budget
233.14 Office, the head or chief administrative officer of each department or agency of state
233.15 government, including the Supreme Court, must promptly supply any data that, in the
233.16 director's judgment, is relevant to legislation that is the subject of a fiscal note prepared by
233.17 the department or agency.

233.18 (b) To the extent that data supplied to the Legislative Budget Office are classified as not
233.19 public under chapter 13 or other applicable law, the Legislative Budget Office must maintain
233.20 and administer the data in the same manner as required of a government entity subject to
233.21 that classification. Not public data supplied under this subdivision may only be used by the
233.22 Legislative Budget Office to review a department or agency's work in preparing a fiscal
233.23 note and may not be used or disseminated for any other purpose, including use by or
233.24 dissemination to a legislator or to any officer, department, agency, or committee within the
233.25 legislative branch. A violation of this paragraph by the director or other staff of the
233.26 Legislative Budget Office is subject to the penalties and remedies provided in sections 13.08
233.27 and 13.09, and any other applicable law governing the unauthorized use or acquisition of
233.28 not public data.

233.29 (c) Upon approval by the Legislative Budget Office, a completed fiscal note must be
233.30 delivered to the legislative committee chair who made the request, and to the chief author
233.31 of the legislation to which it relates. Within 24 hours of approval, a completed fiscal note
233.32 must be posted on the office's public Web site, unless data maintained by a government
233.33 entity related to the fiscal note are classified as not public under section 13.64, subdivision
233.34 3.

234.1 **EFFECTIVE DATE.** This section is effective January 8, 2019.

234.2 Sec. 12. Minnesota Statutes 2017 Supplement, section 3.98, subdivision 1, is amended to
234.3 read:

234.4 Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each
234.5 department or agency of the state government, including the Supreme Court, shall ~~cooperate,~~
234.6 in consultation with the Legislative Budget Office ~~and the Legislative Budget Office must~~
234.7 and consistent with the standards, guidelines, and procedures adopted under section 3.8853,
234.8 prepare a fiscal note at the request of the chair of the standing committee to which a bill
234.9 has been referred, or the chair of the house of representatives Ways and Means Committee,
234.10 or the chair of the senate Committee on Finance.

234.11 ~~(b) Upon request of the Legislative Budget Office, the head or chief administrative~~
234.12 ~~officer of each department or agency of state government, including the Supreme Court,~~
234.13 ~~must promptly supply all information necessary for the Legislative Budget Office to prepare~~
234.14 ~~an accurate and timely fiscal note.~~

234.15 ~~(c) The Legislative Budget Office may adopt standards and guidelines governing timing~~
234.16 ~~of responses to requests for information and governing access to data, consistent with laws~~
234.17 ~~governing access to data. Agencies must comply with these standards and guidelines and~~
234.18 ~~the Legislative Budget Office must publish them on the office's Web site.~~

234.19 ~~(d)~~ (b) For purposes of this subdivision, "Supreme Court" includes all agencies,
234.20 committees, and commissions supervised or appointed by the state Supreme Court or the
234.21 state court administrator.

234.22 **EFFECTIVE DATE.** This section is effective January 8, 2019.

234.23 Sec. 13. **[4.074] PAYMENTS FROM EXECUTIVE AGENCIES.**

234.24 The Office of the Governor may not receive payments to the governor's office account
234.25 in the special revenue fund of more than \$750,000, in total, each fiscal year from other
234.26 executive agencies under section 15.53 to support costs, not including the residence
234.27 groundskeeper, incurred by the office.

234.28 Sec. 14. **[5.42] DISPLAY OF BUSINESS ADDRESS ON WEB SITE.**

234.29 (a) A business entity may request in writing that all addresses submitted by the business
234.30 entity to the secretary of state be omitted from display on the secretary of state's Web site.

235.1 A business entity may only request that all addresses be omitted from display if the entity
235.2 certifies that:

235.3 (1) there is only one shareholder, member, manager, or owner of the business entity;

235.4 (2) the shareholder, manager, member, or owner is a natural person; and

235.5 (3) at least one of the addresses provided is the residential address of the sole shareholder,
235.6 manager, member, or owner.

235.7 The secretary of state shall post a notice that this option is available and a link to the form
235.8 needed to make a request on the secretary's Web site. The secretary of state shall also attach
235.9 a copy of the request form to all business filing forms provided in a paper format that require
235.10 a business entity to submit an address.

235.11 (b) This section does not change the classification of data under chapter 13 and addresses
235.12 shall be made available to the public in response to requests made by telephone, mail,
235.13 electronic mail, and facsimile transmission.

235.14 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to business
235.15 entity filings filed with the secretary of state on or after that date.

235.16 Sec. 15. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended
235.17 to read:

235.18 Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the
235.19 standards and be in a form meeting recognized industry auditing standards. The state auditor
235.20 may require additional information from the CPA firm if the state auditor determines that
235.21 is in the public interest, but the state auditor must accept the audit unless the state auditor
235.22 determines the audit or its form does not meet recognized industry auditing standards. The
235.23 state auditor may make additional examinations as the auditor determines to be in the public
235.24 interest.

235.25 (b) When the state auditor requires additional information from the CPA firm or makes
235.26 additional examinations that the state auditor determines to be in the public interest, the
235.27 state auditor must afford counties and CPA firms an opportunity to respond to potential
235.28 findings, conclusions, or questions, as follows:

235.29 (1) at least 30 days before beginning a review for work performed by a certified public
235.30 accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA
235.31 firm that the state auditor will be conducting a review and must identify the type and scope
235.32 of review the state auditor will perform;

236.1 (2) throughout the state auditor's review, the auditor shall allow the county and the CPA
236.2 firm at least 30 days to respond to any request by the auditor for documents or other
236.3 information;

236.4 (3) the state auditor must provide the CPA firm with a draft report of the state auditor's
236.5 findings at least 30 days before issuing a final report;

236.6 (4) at least 20 days before issuing a final report, the state auditor must hold a formal exit
236.7 conference with the CPA firm to discuss the findings in the state auditor's draft report;

236.8 (5) the state auditor shall make changes to the draft report that are warranted as a result
236.9 of information provided by the CPA firm during the state auditor's review; and

236.10 (6) the state auditor's final report must include any written responses provided by the
236.11 CPA firm.

236.12 Sec. 16. Minnesota Statutes 2016, section 8.065, is amended to read:

236.13 **8.065 PRIVATE ATTORNEY CONTRACTS.**

236.14 Subdivision 1. **Contracts for legal services in excess of \$1,000,000.** The attorney
236.15 general may not enter into a contract for legal services in which the fees and expenses paid
236.16 by the state exceed, or can reasonably be expected to exceed, \$1,000,000 unless the attorney
236.17 general first submits the proposed contract to the Legislative Advisory Commission, and
236.18 waits at least 20 days to receive a possible recommendation from the commission.

236.19 Subd. 2. **Contingent fee contracts.** (a) Except as provided in paragraph (b), the attorney
236.20 general may not contract for legal services on a contingent fee basis.

236.21 (b) Paragraph (a) does not apply to contracts for legal services on behalf of the
236.22 Department of Human Services for Medicaid third-party liability or false claims recoveries.
236.23 Contracts for these services may not exceed two years, but may be extended by amendment,
236.24 if necessary to continue representation in an active case referred during the original two-year
236.25 contract term. These contracts are subject to the competitive proposal requirements for
236.26 professional and technical services contracts provided in section 16C.08. No later than
236.27 January 15 of each year, the attorney general and the commissioner of human services must
236.28 jointly submit a report to the chairs and ranking minority members of the legislative
236.29 committees with jurisdiction over state government finance that includes a copy of the
236.30 contract for legal services, and details on:

236.31 (1) the number of claims for recovery filed by attorneys providing services on a contingent
236.32 fee basis;

237.1 (2) the number of recovery claims that were successful, including the amounts recovered
237.2 in each successful claim; and

237.3 (3) the total amount of attorney fees due or paid following each successful claim.

237.4 **EFFECTIVE DATE.** This section is effective the day following final enactment and
237.5 applies to contracts entered into on or after that date. Subdivision 2, paragraph (b), applies
237.6 to legal services for claims filed on or after August 1, 2018.

237.7 Sec. 17. Minnesota Statutes 2016, section 10A.01, subdivision 35, is amended to read:

237.8 Subd. 35. **Public official.** "Public official" means any:

237.9 (1) member of the legislature;

237.10 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
237.11 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
237.12 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
237.13 Senate Counsel, Research, and Fiscal Analysis, House Research, or the House Fiscal Analysis
237.14 Department;

237.15 (3) constitutional officer in the executive branch and the officer's chief administrative
237.16 deputy;

237.17 (4) solicitor general or deputy, assistant, or special assistant attorney general;

237.18 (5) commissioner, deputy commissioner, or assistant commissioner of any state
237.19 department or agency as listed in section 15.01 or 15.06, or the state chief information
237.20 officer;

237.21 (6) member, chief administrative officer, or deputy chief administrative officer of a state
237.22 board or commission that has either the power to adopt, amend, or repeal rules under chapter
237.23 14, or the power to adjudicate contested cases or appeals under chapter 14;

237.24 (7) individual employed in the executive branch who is authorized to adopt, amend, or
237.25 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

237.26 (8) executive director of the State Board of Investment;

237.27 (9) deputy of any official listed in clauses (7) and (8);

237.28 (10) judge of the Workers' Compensation Court of Appeals;

237.29 (11) administrative law judge or compensation judge in the State Office of Administrative
237.30 Hearings or unemployment law judge in the Department of Employment and Economic
237.31 Development;

- 238.1 (12) member, regional administrator, division director, general counsel, or operations
238.2 manager of the Metropolitan Council;
- 238.3 (13) member or chief administrator of a metropolitan agency;
- 238.4 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
238.5 of Public Safety;
- 238.6 (15) member or executive director of the Higher Education Facilities Authority;
- 238.7 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 238.8 (17) member of the board of directors or executive director of the Minnesota State High
238.9 School League;
- 238.10 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 238.11 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 238.12 (20) manager of a watershed district, or member of a watershed management organization
238.13 as defined under section 103B.205, subdivision 13;
- 238.14 (21) supervisor of a soil and water conservation district;
- 238.15 (22) director of Explore Minnesota Tourism;
- 238.16 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
238.17 97A.056;
- 238.18 (24) citizen member of the Clean Water Council established in section 114D.30;
- 238.19 (25) member or chief executive of the Minnesota Sports Facilities Authority established
238.20 in section 473J.07;
- 238.21 (26) district court judge, appeals court judge, or Supreme Court justice;
- 238.22 (27) county commissioner;
- 238.23 (28) member of the Greater Minnesota Regional Parks and Trails Commission; or
- 238.24 (29) member of the Destination Medical Center Corporation established in section
238.25 469.41.

238.26 **EFFECTIVE DATE.** This section is effective July 1, 2018.

238.27 Sec. 18. Minnesota Statutes 2016, section 10A.02, subdivision 7, is amended to read:

238.28 Subd. 7. **Political activity.** All members and employees of the board are subject to any
238.29 provisions of law regulating political activity by state employees. In addition, no member

239.1 or employee of the board may be a candidate for, or holder of, (1) a national, state,
239.2 congressional district, legislative district, county, or precinct office in a political party, or
239.3 (2) an elected public office for which party designation is required by statute. For purposes
239.4 of this subdivision, "employee of the board" includes any board employee and any employee
239.5 of the Office of MN.IT Services assigned to provide information technology services to the
239.6 board.

239.7 Sec. 19. Minnesota Statutes 2016, section 12.09, subdivision 2, is amended to read:

239.8 Subd. 2. **State emergency plan.** The division shall develop and maintain a comprehensive
239.9 state emergency operations plan and emergency management program in accord with section
239.10 12.21, subdivision 3, ~~clause (2) paragraph (b)~~, and ensure that other state emergency plans
239.11 that may be developed are coordinated and consistent with the comprehensive state
239.12 emergency operations plan. The director of the division must provide assistance to the
239.13 legislative branch, the judicial branch, and the executive council in developing the plans
239.14 required by sections 12.401, 12.402, and 12.403.

239.15 Sec. 20. Minnesota Statutes 2016, section 12.21, subdivision 3, is amended to read:

239.16 Subd. 3. **Specific authority.** (a) In performing duties under this chapter and to effect its
239.17 policy and purpose, the governor may:

239.18 (1) make, amend, and rescind the necessary orders and rules to carry out the provisions
239.19 of this chapter and section 216C.15 within the limits of the authority conferred by this
239.20 section, with due consideration of the plans of the federal government and without complying
239.21 with sections 14.001 to 14.69, but no order or rule has the effect of law except as provided
239.22 by section 12.32;

239.23 ~~(2) ensure that a comprehensive emergency operations plan and emergency management~~
239.24 ~~program for this state are developed and maintained, and are integrated into and coordinated~~
239.25 ~~with the emergency plans of the federal government and of other states to the fullest possible~~
239.26 ~~extent;~~

239.27 ~~(3)~~ (2) in accordance with the emergency operations plan and the emergency management
239.28 program of this state, procure supplies, equipment, and facilities; institute training programs
239.29 and public information programs; and take all other preparatory steps, including the partial
239.30 or full activation of emergency management organizations in advance of actual disaster to
239.31 ensure the furnishing of adequately trained and equipped forces of emergency management
239.32 personnel in time of need;

240.1 ~~(4)~~ (3) make studies and surveys of the industries, resources, and facilities in this state
240.2 as may be necessary to ascertain the capabilities of the state for emergency management
240.3 and to plan for the most efficient emergency use of those industries, resources, and facilities;

240.4 ~~(5)~~ (4) on behalf of this state, enter into mutual aid arrangements or cooperative
240.5 agreements with other states, tribal authorities, and Canadian provinces, and coordinate
240.6 mutual aid plans between political subdivisions of this state;

240.7 ~~(6)~~ (5) delegate administrative authority vested in the governor under this chapter, except
240.8 the power to make rules, and provide for the subdelegation of that authority;

240.9 ~~(7)~~ (6) cooperate with the president and the heads of the armed forces, the Emergency
240.10 Management Agency of the United States and other appropriate federal officers and agencies,
240.11 and with the officers and agencies of other states in matters pertaining to the emergency
240.12 management of the state and nation, including the direction or control of:

240.13 (i) emergency preparedness drills and exercises;

240.14 (ii) warnings and signals for drills or actual emergencies and the mechanical devices to
240.15 be used in connection with them;

240.16 (iii) shutting off water mains, gas mains, electric power connections and the suspension
240.17 of all other utility services;

240.18 (iv) the conduct of persons in the state, including entrance or exit from any stricken or
240.19 threatened public place, occupancy of facilities, and the movement and cessation of
240.20 movement of pedestrians, vehicular traffic, and all forms of private and public transportation
240.21 during, prior, and subsequent to drills or actual emergencies;

240.22 (v) public meetings or gatherings; and

240.23 (vi) the evacuation, reception, and sheltering of persons;

240.24 ~~(8)~~ (7) contribute to a political subdivision, within the limits of the appropriation for
240.25 that purpose, not more than 25 percent of the cost of acquiring organizational equipment
240.26 that meets standards established by the governor;

240.27 ~~(9)~~ (8) formulate and execute, with the approval of the Executive Council, plans and
240.28 rules for the control of traffic in order to provide for the rapid and safe movement over
240.29 public highways and streets of troops, vehicles of a military nature, and materials for national
240.30 defense and war or for use in any war industry, for the conservation of critical materials, or
240.31 for emergency management purposes; and coordinate the activities of the departments or

241.1 agencies of the state and its political subdivisions concerned directly or indirectly with
241.2 public highways and streets, in a manner that will best effectuate those plans;

241.3 ~~(10)~~ (9) alter or adjust by executive order, without complying with sections 14.01 to
241.4 14.69, the working hours, workdays and work week of, and annual and sick leave provisions
241.5 and payroll laws regarding all state employees in the executive branch as the governor
241.6 deems necessary to minimize the impact of the disaster or emergency, conforming the
241.7 alterations or adjustments to existing state laws, rules, and collective bargaining agreements
241.8 to the extent practicable;

241.9 ~~(11)~~ (10) authorize the commissioner of education to alter school schedules, curtail
241.10 school activities, or order schools closed as defined in section 120A.05, subdivisions 9, 11,
241.11 13, and 17, and including charter schools under chapter 124E, and elementary schools
241.12 enrolling prekindergarten pupils in district programs; and

241.13 ~~(12)~~ (11) transfer the direction, personnel, or functions of state agencies to perform or
241.14 facilitate response and recovery programs.

241.15 (b) In performing duties under this chapter and to effect its policy and purpose, the
241.16 governor must direct the Division of Emergency Management to adopt and maintain a
241.17 comprehensive emergency operations plan and emergency management program for this
241.18 state that is integrated into and coordinated with the emergency plans of the federal
241.19 government and other states to the fullest possible extent. The comprehensive emergency
241.20 operations plan must incorporate plans for the secure, continued operation of state
241.21 government in the event of a disaster or emergency, including those adopted under sections
241.22 12.401, 12.402, and 12.403.

241.23 Sec. 21. **[12.401] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
241.24 **LEGISLATIVE BRANCH.**

241.25 Subdivision 1. Adoption of plan required. (a) The Legislative Coordinating Commission
241.26 must adopt and maintain an emergency operations and continuity of government plan to
241.27 ensure the secure, continued operation of the house of representatives, senate, and joint
241.28 legislative offices in the event of a disaster, emergency, or declared emergency. In developing
241.29 the plan, the commission must consult and cooperate with the state director of emergency
241.30 management to ensure the plan's compatibility with the comprehensive state emergency
241.31 operations plan and emergency management program. The commission must also consult
241.32 with the governor or the governor's designee, and the chief justice of the Supreme Court or
241.33 the chief justice's designee, to ensure the plan's compatibility with those adopted for the

242.1 judicial branch under section 12.402 and the executive council under section 12.403, to the
242.2 extent practical.

242.3 (b) At a minimum, the commission's plan must address reasonably foreseeable effects
242.4 of a disaster, emergency, or declared emergency on the ability of the legislature to perform
242.5 its constitutional functions, including but not limited to the following:

242.6 (1) identification of at least three suitable locations within the state at which the legislature
242.7 could conduct operations in the event of a disaster or declared emergency that makes the
242.8 State Capitol unsafe or inaccessible, with one location designated as a primary alternate
242.9 location and two designated as backup alternate locations if the primary location is unsafe
242.10 or inaccessible;

242.11 (2) plans to provide timely and secure communications regarding a disaster, emergency,
242.12 or declared emergency to all affected members and personnel, including alternate methods
242.13 of communication if a primary method is unavailable;

242.14 (3) plans to securely transport all members, designated personnel, and necessary
242.15 equipment and records to an alternate location and begin legislative operations at that location
242.16 in a timely manner;

242.17 (4) plans to ensure reasonable public notice of the legislature's operations and access to
242.18 its proceedings in-person or by electronic, broadcast, or other means as the circumstances
242.19 of the emergency allow;

242.20 (5) additional procedures, as necessary, to implement the requirements of subdivisions
242.21 2 and 3;

242.22 (6) procedures for the orderly return of legislative operations to the State Capitol, as
242.23 soon as circumstances allow; and

242.24 (7) policy decisions that address any other procedures or protocols recommended for
242.25 inclusion by the state director of emergency management.

242.26 (c) The plan must be adopted and maintained by the Legislative Coordinating Commission
242.27 no later than January 30, 2019, and may be subsequently amended at any time. At a minimum,
242.28 the plan must be reviewed by the full commission and designated legislative staff no later
242.29 than January 30 of each odd-numbered year. A meeting of the commission may be closed
242.30 to the public for any of these purposes.

242.31 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
242.32 director of emergency management, and at each of the alternate locations designated in the
242.33 plan. Unless otherwise directed by the Legislative Coordinating Commission, the copies of

243.1 the plan must be securely maintained and may not be further disclosed to any person except
243.2 as required by this chapter, or as necessary to develop and implement the plan's requirements.
243.3 To the extent data regarding the plan is held by a government entity, as defined in section
243.4 13.02, subdivision 7a, the data are security information under section 13.37.

243.5 Subd. 2. **Implementation of plan.** (a) The governor or the chair of the Legislative
243.6 Coordinating Commission may order that the legislature's emergency operations and
243.7 continuity of government plan be implemented in whole or in part, if an emergency is
243.8 declared or if circumstances indicate a disaster or emergency is occurring or a declared
243.9 emergency may be imminent. If a change in location is ordered, the legislature must be
243.10 directed to a location designated in the plan, or if those designated locations are unsafe or
243.11 inaccessible, to any other location within or outside of the state which the governor or chair
243.12 deems safe and accessible. If implementation of the plan is ordered by the chair of the
243.13 Legislative Coordinating Commission, the chair must notify the governor and the state
243.14 director of emergency management as soon as practicable following implementation.

243.15 (b) A legislative session convened at an alternate location must be reconvened at the
243.16 State Capitol as soon as practical after the capitol is secured and restored to accessibility.

243.17 Subd. 3. **Special session at an alternate location; legislative procedure.** (a) In the
243.18 event of a declared emergency, if the legislature is not in session, the governor shall convene
243.19 a special session when required by section 12.31, subdivisions 1 and 2.

243.20 (b) If the governor fails to convene a special session after declaring a national security
243.21 emergency, the chair of the Legislative Coordinating Commission shall order implementation
243.22 of the legislature's emergency operations and continuity of government plan, and the
243.23 legislature shall convene at the State Capitol, or alternate location designated by the plan,
243.24 on the first Tuesday after the first Monday more than 30 days after the national security
243.25 emergency was declared.

243.26 (c) At a special session convened at an alternate location due to a disaster, emergency,
243.27 or declared emergency, the quorum requirement for the legislature is a majority of the
243.28 members of each house who convene for the session. If the affirmative vote of a specified
243.29 proportion of members of the legislature would otherwise be required to approve a bill,
243.30 resolution, or for any other action, the same proportion of the members of each house
243.31 convening at the session is sufficient. At the time the special session convenes, the legislature
243.32 shall adopt temporary joint rules as necessary to ensure the orderly conduct of legislative
243.33 business in the alternate location, including compliance with the requirements of the
243.34 Minnesota Constitution and the rules of parliamentary practice.

244.1 Sec. 22. [12.402] EMERGENCY OPERATIONS AND CONTINUITY PLAN;
244.2 JUDICIAL BRANCH.

244.3 Subdivision 1. Adoption of plan required. (a) The Supreme Court must adopt and
244.4 maintain an emergency operations and continuity of government plan to ensure the secure,
244.5 continued operation of the judicial branch in the event of a disaster, emergency, or declared
244.6 emergency. In developing the plan, the court must consult and cooperate with the state
244.7 director of emergency management to ensure the plan's compatibility with the comprehensive
244.8 state emergency operations plan and emergency management program. The court must also
244.9 consult the governor or the governor's designee, and the chair of the Legislative Coordinating
244.10 Commission, or the chair's designee, to ensure the plan's compatibility with those adopted
244.11 for the executive council and legislative branch under sections 12.401 and 12.403, to the
244.12 extent practical.

244.13 (b) At a minimum, the Supreme Court's plan must address reasonably foreseeable effects
244.14 of a disaster, emergency, or declared emergency, on the ability of the judicial branch to
244.15 perform its constitutional functions, including but not limited to the following:

244.16 (1) identification of at least three suitable locations within the state at which the Supreme
244.17 Court, Court of Appeals, and central administrative functions of the judicial branch could
244.18 operate in the event of a disaster or declared emergency that make its regular location unsafe
244.19 or inaccessible, with one location designated as a primary alternate location and two
244.20 designated as backup alternate locations if the primary location is unsafe or inaccessible;

244.21 (2) plans to provide timely and secure communications regarding a disaster, emergency,
244.22 or declared emergency to all affected personnel, including alternate methods of
244.23 communication if a primary method is unavailable;

244.24 (3) plans to securely transport affected justices, judges, designated personnel, and
244.25 necessary equipment and records to an alternate location and begin judicial operations at
244.26 that location in a timely manner;

244.27 (4) plans to ensure reasonable public notice of the judicial branch's operations and access
244.28 to its proceedings and records in-person or by electronic, broadcast, or other means as the
244.29 rules of the court require and the circumstances of the emergency allow;

244.30 (5) plans to ensure the rights and protections guaranteed by the federal and state
244.31 constitutions to criminal defendants, petitioners, and civil litigants are preserved;

244.32 (6) procedures for the orderly return of judicial branch operations to their regular location,
244.33 as soon as circumstances allow; and

245.1 (7) policy decisions that address any other procedures or protocols recommended for
245.2 inclusion by the state director of emergency management.

245.3 (c) The plan must be adopted and maintained by the Supreme Court no later than January
245.4 30, 2019, and may be subsequently amended at any time. At a minimum, the plan must be
245.5 reviewed by the justices and judges of the Supreme Court and Court of Appeals, and
245.6 designated staff, no later than January 30 of each odd-numbered year.

245.7 (d) Copies of the plan must be filed with the governor, the secretary of state, the state
245.8 director of emergency management, and at each of the alternate locations designated in the
245.9 plan. Unless otherwise directed by the court, the copies of the plan must be securely
245.10 maintained and may not be further disclosed to any person except as required by this chapter,
245.11 or as necessary to develop and implement the plan's requirements. To the extent data
245.12 regarding the plan is held by a government entity, as defined in section 13.02, subdivision
245.13 7a, the data are security information under section 13.37.

245.14 Subd. 2. **Implementation of plan.** (a) The governor or the chief justice may order that
245.15 the judiciary's emergency operations and continuity of government plan be implemented in
245.16 whole or in part, if an emergency is declared or if circumstances indicate a disaster or
245.17 emergency is occurring or a declared emergency may be imminent. If a change in location
245.18 is ordered, the affected personnel must be directed to a location designated in the plan, or
245.19 if those designated locations are unsafe or inaccessible, to any other location within or
245.20 outside of the state which the governor or chief justice deems safe and accessible. If
245.21 implementation of the plan is ordered by the chief justice, the chief justice must notify the
245.22 governor and the state director of emergency management as soon as practicable following
245.23 implementation.

245.24 (b) A court convened at an alternate location must be reconvened at its regular location
245.25 as soon as practical after the location is secured and restored to accessibility.

245.26 Sec. 23. **[12.403] EMERGENCY OPERATIONS AND CONTINUITY PLAN;**
245.27 **CONSTITUTIONAL OFFICERS.**

245.28 Subdivision 1. **Adoption of plan required.** (a) The executive council must adopt and
245.29 maintain an emergency operations and continuity of government plan to ensure the secure,
245.30 continued operation of each constitutional office in the event of a disaster, emergency, or
245.31 declared emergency. In developing the plan, the council must consult and cooperate with
245.32 the state director of emergency management to ensure the plan's compatibility with the
245.33 comprehensive state emergency operations plan and emergency management program. The
245.34 council must also consult the chair of the Legislative Coordinating Commission or the chair's

246.1 designee, and the chief justice of the Supreme Court or the chief justice's designee, to ensure
246.2 the plan's compatibility with those adopted for the legislative branch and judicial branch
246.3 under sections 12.401 and 12.402, to the extent practical.

246.4 (b) At a minimum, the council's plan must address reasonably foreseeable effects of a
246.5 disaster, emergency, or declared emergency, on the ability of the state constitutional officers
246.6 to perform their constitutional functions, including but not limited to the following:

246.7 (1) identification of at least three suitable locations within the state at which the
246.8 constitutional officers could conduct operations in the event of a disaster, emergency, or
246.9 declared emergency that make their regular locations unsafe or inaccessible, with one
246.10 location designated as a primary alternate location and two designated as backup alternate
246.11 locations if the primary location is unsafe or inaccessible;

246.12 (2) plans to provide timely and secure communications regarding a disaster, emergency,
246.13 or declared emergency to all affected constitutional officers and personnel, including alternate
246.14 methods of communication if a primary method is unavailable;

246.15 (3) plans to securely transport all constitutional officers, designated personnel, and
246.16 necessary equipment and records to an alternate location and begin operations at that location
246.17 in a timely manner;

246.18 (4) plans to ensure reasonable public notice of each constitutional officer's operations
246.19 and access to the officers and records in person or by electronic, broadcast, or other means
246.20 as the circumstances of the emergency allow;

246.21 (5) procedures for the orderly return of operations to the State Capitol, as soon as
246.22 circumstances allow; and

246.23 (6) policy decisions that address any other procedures or protocols recommended for
246.24 inclusion by the state director of emergency management.

246.25 (c) The plan must be adopted no later than January 30, 2019, and may be subsequently
246.26 amended at any time. At a minimum, the plan must be reviewed by the executive council
246.27 and designated staff no later than January 30 of each odd-numbered year. A meeting of the
246.28 council may be closed to the public for any of these purposes.

246.29 (d) Copies of the plan must be filed with each constitutional officer, the state director
246.30 of emergency management, and at each of the alternate locations designated in the plan.
246.31 Unless otherwise directed by the executive council, the copies of the plan are security data
246.32 under section 13.37, must be securely maintained, and may not be further disclosed to any

247.1 person except as required by this chapter, or as necessary to develop and implement its
247.2 requirements.

247.3 Subd. 2. **Implementation of plan.** (a) The governor or any constitutional officer, with
247.4 respect to that officer's constitutional office, may order that the executive council's emergency
247.5 operations and continuity of government plan be implemented in whole or in part, if an
247.6 emergency is declared or if circumstances indicate a disaster or emergency is occurring or
247.7 a declared emergency may be imminent. If a change in location is ordered, affected personnel
247.8 must be directed to a location designated in the plan, or if those designated locations are
247.9 unsafe or inaccessible, to any other location within or outside of the state which the governor
247.10 or constitutional officer deems safe and accessible. If implementation of the plan is ordered
247.11 by a constitutional officer other than the governor, the officer must notify the governor and
247.12 the state director of emergency management as soon as practicable following implementation.

247.13 (b) A constitutional officer's primary office must be returned to its regular location as
247.14 soon as practical after that location is secured and restored to accessibility.

247.15 Sec. 24. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
247.16 read:

247.17 Subd. 1a. **Chief administrative law judge.** "Chief administrative law judge" means the
247.18 chief administrative law judge of the state Office of Administrative Hearings.

247.19 Sec. 25. Minnesota Statutes 2016, section 13.02, is amended by adding a subdivision to
247.20 read:

247.21 Subd. 8b. **Information policy analysis unit.** "Information policy analysis unit" means
247.22 the work unit within the Office of Administrative Hearings established under section 13.071.

247.23 Sec. 26. [13.071] **INFORMATION POLICY ANALYSIS UNIT; DATA PRACTICES**
247.24 **COORDINATOR.**

247.25 Subdivision 1. **Information policy analysis unit established.** An information policy
247.26 analysis unit is established as a work unit within the Office of Administrative Hearings.

247.27 Subd. 2. **Data practices coordinator.** (a) The chief administrative law judge shall
247.28 appoint a data practices coordinator in the unclassified service who shall oversee the
247.29 operations of the information policy analysis unit.

247.30 (b) The coordinator must be knowledgeable about the Minnesota Government Data
247.31 Practices Act, the Minnesota Open Meeting Law, and federal laws and regulations regarding

248.1 data privacy. The coordinator must have experience in dealing with both private enterprise
 248.2 and governmental entities, interpreting laws and regulations, record keeping, report writing,
 248.3 public speaking, and management.

248.4 Subd. 3. **Duties.** The information policy analysis unit shall:

248.5 (1) informally advise and serve as a technical resource for government entities on
 248.6 questions related to public access to government data, rights of subjects of data, classification
 248.7 of data, or applicable duties under chapter 13D;

248.8 (2) informally advise persons regarding their rights under this chapter or chapter 13D;

248.9 (3) administer training on chapter 13D and the public information policy training program
 248.10 under section 13.073;

248.11 (4) issue advisory opinions pursuant to section 13.072;

248.12 (5) operate in a manner that effectively screens the work of the information policy
 248.13 analysis unit from any administrative law judges assigned to a contested case pursuant to
 248.14 section 13.085; and

248.15 (6) perform other duties as directed by the chief administrative law judge.

248.16 Subd. 4. **Effect of informal advice.** Informal advice or trainings offered by the
 248.17 information policy analysis unit is not binding on a government entity or members of a body
 248.18 subject to chapter 13D, does not constitute legal advice or an advisory opinion under section
 248.19 13.072, and has no effect on liability, fines, or fee awards arising from a violation of this
 248.20 chapter or chapter 13D. This section does not preclude a person from, in addition to or
 248.21 instead of requesting advice from the information policy analysis unit, seeking an advisory
 248.22 opinion under section 13.072, or bringing any other action under this chapter or other law.

248.23 Subd. 5. **Data submitted to information policy analysis unit.** A government entity
 248.24 may submit not public data to the information policy analysis unit for the purpose of
 248.25 requesting advice. Government data submitted to the information policy analysis unit by a
 248.26 government entity or copies of government data submitted by other persons have the same
 248.27 classification as the data have when held by the government entity.

248.28 Sec. 27. Minnesota Statutes 2016, section 13.072, is amended to read:

248.29 **13.072 ADVISORY OPINIONS BY THE COMMISSIONER INFORMATION**
 248.30 **POLICY ANALYSIS UNIT.**

248.31 Subdivision 1. **Advisory opinion; when required.** (a) Upon request of a government
 248.32 entity, the ~~commissioner may~~ information policy analysis unit shall give a written advisory

249.1 opinion on any question relating to public access to government data, rights of subjects of
249.2 data, or classification of data under this chapter or other Minnesota statutes governing
249.3 government data practices. Upon request of any person who disagrees with a determination
249.4 regarding data practices made by a government entity, the ~~commissioner may~~ information
249.5 policy analysis unit shall give a written advisory opinion regarding the person's rights as a
249.6 subject of government data or right to have access to government data.

249.7 (b) Upon request of a body subject to chapter 13D, the ~~commissioner may~~ information
249.8 policy analysis unit shall give a written advisory opinion on any question relating to the
249.9 body's duties under chapter 13D. Upon request of a person who disagrees with the manner
249.10 in which members of a governing body perform their duties under chapter 13D, the
249.11 ~~commissioner may~~ information policy analysis unit shall give a written advisory opinion
249.12 on compliance with chapter 13D. ~~A governing body or person requesting an opinion under~~
249.13 ~~this paragraph must pay the commissioner a fee of \$200. Money received by the~~
249.14 ~~commissioner under this paragraph is appropriated to the commissioner for the purposes of~~
249.15 ~~this section.~~

249.16 (c) ~~If the commissioner determines that no opinion will be issued, the commissioner~~
249.17 ~~shall give the government entity or body subject to chapter 13D or person requesting the~~
249.18 ~~opinion notice of the decision not to issue the opinion within five business days of receipt~~
249.19 ~~of the request. If this notice is not given, the commissioner~~ The information policy analysis
249.20 unit shall issue an advisory opinion within 20 days of receipt of the request.

249.21 (d) For good cause and upon written notice to the person requesting the advisory opinion,
249.22 the ~~commissioner~~ chief administrative law judge may extend this deadline for one additional
249.23 30-day period. The notice must state the reason for extending the deadline. The government
249.24 entity or the members of a body subject to chapter 13D must be provided a reasonable
249.25 opportunity to explain the reasons for its decision regarding the data or how they perform
249.26 their duties under chapter 13D. The ~~commissioner~~ information policy analysis unit or the
249.27 government entity or body subject to chapter 13D may choose to give notice to the subject
249.28 of the data concerning the dispute regarding the data or compliance with chapter 13D.

249.29 (e) This section does not apply to a determination made by the commissioner of health
249.30 under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

249.31 (f) A written, numbered, and published opinion issued by the attorney general shall take
249.32 precedence over an advisory opinion issued by the ~~commissioner~~ information policy analysis
249.33 unit under this section.

250.1 (g) A decision of the Office of Administrative Hearings issued under section 13.085
250.2 shall take precedence over an advisory opinion issued by the information policy analysis
250.3 unit under this section.

250.4 Subd. 2. **Effect.** (a) Advisory opinions issued by the ~~commissioner~~ information policy
250.5 analysis unit under this section are not binding on the government entity or members of a
250.6 body subject to chapter 13D whose data or performance of duties is the subject of the
250.7 advisory opinion, but an advisory opinion described in subdivision 1, paragraph (a), must
250.8 be given deference by a court or other tribunal in a proceeding involving the data. The
250.9 ~~commissioner~~ information policy analysis unit shall arrange for public dissemination of
250.10 advisory opinions issued under this section, and shall indicate when the principles stated in
250.11 an advisory opinion are not intended to provide guidance to all similarly situated persons
250.12 or government entities. This section does not preclude a person from bringing any other
250.13 action under this chapter or other law in addition to or instead of requesting a written advisory
250.14 opinion. A government entity, members of a body subject to chapter 13D, or person that
250.15 acts in conformity with a written advisory opinion of the ~~commissioner~~ information policy
250.16 analysis unit issued to the government entity, members, or person or to another party is not
250.17 liable for compensatory or exemplary damages or awards of attorneys fees in actions for
250.18 violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for
250.19 fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body
250.20 subject to chapter 13D is not subject to forfeiture of office if the member was acting in
250.21 reliance on an advisory opinion.

250.22 (b) The information policy analysis unit shall publish and maintain all previously issued
250.23 written opinions of the commissioner of administration in the same manner as advisory
250.24 opinions issued by the information policy analysis unit. A previously issued written opinion
250.25 by the commissioner of administration has the same effect as an advisory opinion issued
250.26 by the information policy analysis unit.

250.27 Subd. 4. **Data submitted to ~~commissioner~~ information policy analysis unit.** A
250.28 government entity may submit not public data to the ~~commissioner~~ information policy
250.29 analysis unit for the purpose of requesting or responding to a person's request for an advisory
250.30 opinion. Government data submitted to the ~~commissioner~~ information policy analysis unit
250.31 by a government entity or copies of government data submitted by other persons have the
250.32 same classification as the data have when held by the government entity. If the nature of
250.33 the advisory opinion is such that the release of the advisory opinion would reveal not public
250.34 data, the ~~commissioner~~ information policy analysis unit may issue an advisory opinion using
250.35 pseudonyms for individuals. Data maintained by the ~~commissioner~~ information policy

251.1 analysis unit, in the record of an advisory opinion issued using pseudonyms that would
251.2 reveal the identities of individuals protected by the use of the pseudonyms, are private data
251.3 on individuals.

251.4 Sec. 28. Minnesota Statutes 2016, section 13.08, subdivision 4, is amended to read:

251.5 Subd. 4. **Action to compel compliance.** (a) Actions to compel compliance may be
251.6 brought either under this subdivision or section 13.085. For actions under this subdivision,
251.7 in addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved
251.8 person seeking to enforce the person's rights under this chapter or obtain access to data may
251.9 bring an action in district court to compel compliance with this chapter and may recover
251.10 costs and disbursements, including reasonable attorney's fees, as determined by the court.
251.11 If the court determines that an action brought under this subdivision is frivolous and without
251.12 merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible
251.13 authority. If the court issues an order to compel compliance under this subdivision, the court
251.14 may impose a civil penalty of up to \$1,000 against the government entity. This penalty is
251.15 payable to the state general fund and is in addition to damages under subdivision 1. The
251.16 matter shall be heard as soon as possible. In an action involving a request for government
251.17 data under section 13.03 or 13.04, the court may inspect in camera the government data in
251.18 dispute, but shall conduct its hearing in public and in a manner that protects the security of
251.19 data classified as not public. If the court issues an order to compel compliance under this
251.20 subdivision, the court shall forward a copy of the order to the ~~commissioner of administration~~
251.21 chief administrative law judge.

251.22 (b) In determining whether to assess a civil penalty under this subdivision, the court or
251.23 other tribunal shall consider whether the government entity has substantially complied with
251.24 general data practices under this chapter, including but not limited to, whether the government
251.25 entity has:

251.26 (1) designated a responsible authority under section 13.02, subdivision 16;

251.27 (2) designated a data practices compliance official under section 13.05, subdivision 13;

251.28 (3) prepared the data inventory that names the responsible authority and describes the
251.29 records and data on individuals that are maintained by the government entity under section
251.30 13.025, subdivision 1;

251.31 (4) developed public access procedures under section 13.03, subdivision 2; procedures
251.32 to guarantee the rights of data subjects under section 13.025, subdivision 3; and procedures

252.1 to ensure that data on individuals are accurate and complete and to safeguard the data's
252.2 security under section 13.05, subdivision 5;

252.3 (5) acted in conformity with an advisory opinion issued under section 13.072 that was
252.4 sought by a government entity or another person;

252.5 (6) acted in conformity with a decision of the Office of Administrative Hearings issued
252.6 under section 13.085; or

252.7 ~~(6)~~ (7) provided ongoing training to government entity personnel who respond to requests
252.8 under this chapter.

252.9 (c) The court shall award reasonable attorney fees to a prevailing plaintiff who has
252.10 brought an action under this subdivision if the government entity that is the defendant in
252.11 the action was also the subject of ~~a written~~ an advisory opinion issued under section 13.072
252.12 or a decision of the Office of Administrative Hearings issued under section 13.085 and the
252.13 court finds that the opinion or decision is directly related to the cause of action being litigated
252.14 and that the government entity did not act in conformity with the opinion or decision.

252.15 Sec. 29. Minnesota Statutes 2016, section 13.085, subdivision 2, is amended to read:

252.16 Subd. 2. **Complaints.** (a) A complaint alleging a violation of this chapter or chapter
252.17 13D for which an order to compel compliance is requested may be filed with the office. An
252.18 action to compel compliance does not include procedures pursuant to section 13.04,
252.19 subdivision 4 or 4a.

252.20 (b) The complaint must be filed with the office within two years after the occurrence of
252.21 the act or failure to act that is the subject of the complaint, except that if the act or failure
252.22 to act involves concealment or misrepresentation by the government entity that could not
252.23 be discovered during that period, the complaint may be filed with the office within one year
252.24 after the concealment or misrepresentation is discovered.

252.25 (c) The complaint must be made in writing, submitted under oath, and detail the factual
252.26 basis for the claim that a violation of law has occurred. The office may prescribe a standard
252.27 form for the complaint. The complaint must be accompanied by a filing fee of ~~\$1,000~~ \$250
252.28 or a bond to guarantee the payment of this fee.

252.29 (d) Upon receipt of a filed complaint, the office must immediately notify the respondent
252.30 and, if known, the applicable responsible authority for the government entity, if the
252.31 responsible authority is not otherwise named as the respondent. The office must provide
252.32 the respondent with a copy of the complaint by the most expeditious means available. Notice
252.33 to a responsible authority must be delivered by certified mail. The office must also notify,

253.1 to the extent practicable, any individual or entity that is the subject of all or part of the data
253.2 in dispute.

253.3 ~~(e) The office must notify the commissioner of administration of an action filed under~~
253.4 ~~this section.~~ Proceedings under this section must be dismissed without prejudice as untimely
253.5 and the complainant's filing fee must be refunded if a request for an advisory opinion ~~from~~
253.6 ~~the commissioner~~ was accepted on the matter under section 13.072 before the complaint
253.7 was filed, and the ~~complainant's filing fee must be refunded~~ advisory opinion has not yet
253.8 been issued.

253.9 (f) The respondent must file a response to the complaint within 15 business days of
253.10 receipt of the notice. For good cause shown, the office may extend the time for filing a
253.11 response.

253.12 Sec. 30. Minnesota Statutes 2016, section 13.085, subdivision 3, is amended to read:

253.13 Subd. 3. **Probable cause review.** (a) In conformity with the Minnesota Code of Judicial
253.14 Conduct, the chief administrative law judge must assign an administrative law judge to
253.15 review each complaint. The chief administrative law judge must ensure that any assigned
253.16 administrative law judge is screened from any involvement with any informal advice provided
253.17 under section 13.071 or with an advisory opinion issued under section 13.072 that involves
253.18 the parties to the complaint. Within 20 business days after a response is filed, or the
253.19 respondent's time to file the response, including any extension, has expired, the administrative
253.20 law judge must make a preliminary determination for its disposition as follows:

253.21 (1) if the administrative law judge determines that the complaint and any timely response
253.22 of the respondent agency do not present sufficient facts to believe that a violation of this
253.23 chapter has occurred, the complaint must be dismissed; or

253.24 (2) if the administrative law judge determines that the complaint and any timely response
253.25 of the respondent agency do present sufficient facts to believe that a violation of this chapter
253.26 has occurred, the judge must schedule a hearing as provided in subdivision 4.

253.27 (b) The office must notify all parties of the determination made under paragraph (a).
253.28 The notice must provide as follows:

253.29 (1) if the complaint is scheduled for a hearing, the notice must identify the time and
253.30 place of the hearing and inform all parties that they may submit evidence, affidavits,
253.31 documentation, and argument for consideration by the administrative law judge; or

253.32 (2) if the complaint is dismissed for failure to present sufficient facts to believe that a
253.33 violation of this chapter has occurred, the notice must inform the parties of the right of the

254.1 complainant to seek reconsideration of the decision on the record by the chief administrative
254.2 law judge, as provided in paragraph (c).

254.3 (c) A petition for reconsideration may be filed no later than five business days after a
254.4 complaint is dismissed for failure to present sufficient facts to believe that a violation of
254.5 this chapter has occurred. The chief administrative law judge must review the petition and
254.6 make a final ruling within ten business days after its receipt. If the chief administrative law
254.7 judge determines that the assigned administrative law judge made a clear material error,
254.8 the chief administrative law judge must schedule the matter for a hearing as provided in
254.9 subdivision 4.

254.10 Sec. 31. Minnesota Statutes 2016, section 13.085, subdivision 4, is amended to read:

254.11 Subd. 4. **Hearing; procedure.** (a) A hearing on a complaint must be held within 30
254.12 business days after the parties are notified that a hearing will be held. An oral hearing to
254.13 resolve questions of law may be waived upon consent of all parties and the presiding assigned
254.14 administrative law judge. For good cause shown, the judge may delay the date of a hearing
254.15 by no more than ten business days. The judge may continue a hearing to enable the parties
254.16 to submit additional evidence or testimony.

254.17 (b) The administrative law judge must consider any evidence and argument submitted
254.18 until the hearing record is closed, including affidavits and documentation.

254.19 (c) All hearings, and any records relating to the hearing, must be open to the public,
254.20 except that the judge may inspect in camera any government data in dispute. If the hearing
254.21 record contains information that is not public data, the judge may conduct a closed hearing
254.22 to consider the information, issue necessary protective orders, and seal all or part of the
254.23 hearing record, as provided in section 14.60, subdivision 2. If a party contends, and the
254.24 judge concludes, that not public data could be improperly disclosed while that party is
254.25 presenting its arguments, the judge shall close any portion of the hearing as necessary to
254.26 prevent the disclosure. A hearing may be conducted by conference telephone call or
254.27 interactive audio/video system, at the discretion of the presiding assigned judge, and upon
254.28 consent of all parties.

254.29 Sec. 32. Minnesota Statutes 2016, section 13.085, subdivision 5, is amended to read:

254.30 Subd. 5. **Disposition.** (a) Following a hearing, the judge must determine whether the
254.31 violation alleged in the complaint occurred and must make at least one of the following
254.32 dispositions. The judge may:

- 255.1 (1) dismiss the complaint;
- 255.2 (2) find that an act or failure to act constituted a violation of this chapter;
- 255.3 (3) impose a civil penalty against the respondent of up to \$300;
- 255.4 (4) issue an order compelling the respondent to comply with a provision of law that has
- 255.5 been violated, and may establish a deadline for production of data, if necessary; and
- 255.6 (5) refer the complaint to the appropriate prosecuting authority for consideration of
- 255.7 criminal charges.

255.8 (b) In determining whether to assess a civil penalty, the office shall consider the factors

255.9 described in section 13.08, subdivision 4.

255.10 (c) The judge must render a decision on a complaint within ten business days after the

255.11 hearing record closes. ~~The chief administrative law judge shall provide for public~~

255.12 ~~dissemination of orders issued under this section. If the judge determines that a government~~

255.13 ~~entity has violated a provision of law and issues an order to compel compliance, the office~~

255.14 ~~shall forward a copy of the order to the commissioner of administration. Any order issued~~

255.15 pursuant to this section is enforceable through the district court for the district in which the

255.16 respondent is located.

255.17 (d) A party aggrieved by a final decision on a complaint filed under this section is entitled

255.18 to judicial review as provided in sections 14.63 to 14.69. Proceedings on a complaint are

255.19 not a contested case within the meaning of chapter 14 and are not otherwise governed by

255.20 chapter 14.

255.21 ~~(e) A decision of the office under this section is not controlling in any subsequent action~~

255.22 ~~brought in district court alleging the same violation and seeking damages.~~

255.23 ~~(f)~~ (e) A government entity or person that releases not public data pursuant to an order

255.24 under this section is immune from civil and criminal liability for that release. A government

255.25 entity or person that acts in conformity with an order issued under this section to the

255.26 government entity or to any other person is not liable for compensatory or exemplary damage

255.27 or awards of attorney fees for acting in conformity with that order in actions under this

255.28 section or section 13.08, or for a penalty under section 13.09.

255.29 Sec. 33. Minnesota Statutes 2016, section 13.085, subdivision 6, is amended to read:

255.30 Subd. 6. **Costs; attorney fees.** (a) A rebuttable presumption shall exist that a complainant

255.31 who substantially prevails on the merits in an action brought under this section is entitled

255.32 to an award of reasonable attorney fees, not to exceed \$5,000. An award of attorney fees

256.1 may be denied if the judge determines that the violation is merely technical or that there is
256.2 a genuine uncertainty about the meaning of the governing law.

256.3 (b) Reasonable attorney fees, not to exceed \$5,000, must be awarded to a substantially
256.4 prevailing complainant if the government entity that is the respondent in the action was also
256.5 the subject of ~~a written~~ an advisory opinion issued under section 13.072 or a prior decision
256.6 of the Office of Administrative Hearings issued under this section and the administrative
256.7 law judge finds that the opinion or decision is directly related to the matter in dispute and
256.8 that the government entity did not act in conformity with the opinion or decision.

256.9 (c) The office shall refund the filing fee of a substantially prevailing complainant in full,
256.10 less \$50, and the office's costs in conducting the matter shall be billed to the respondent,
256.11 not to exceed \$1,000.

256.12 (d) A complainant that does not substantially prevail on the merits shall be entitled to a
256.13 refund of the filing fee, less any costs incurred by the office in conducting the matter.

256.14 (e) If the administrative law judge determines that a complaint is frivolous, or brought
256.15 for purposes of harassment, the judge must order that the complainant pay the respondent's
256.16 reasonable attorney fees, not to exceed \$5,000. The complainant shall not be entitled to a
256.17 refund of the filing fee.

256.18 (f) The court shall award the complainant costs and attorney fees incurred in bringing
256.19 an action in district court to enforce an order of the Office of Administrative Hearings under
256.20 this section.

256.21 Sec. 34. Minnesota Statutes 2016, section 13.085, is amended by adding a subdivision to
256.22 read:

256.23 **Subd. 8. Publication and authority of decisions.** (a) The chief administrative law judge
256.24 shall provide for public dissemination of the office's decisions issued under this section.
256.25 Public dissemination must include the publication and maintenance of all decisions in a
256.26 user-friendly, searchable database conspicuously located on the office's Web site. Not public
256.27 data contained in a decision must be redacted prior to public dissemination.

256.28 (b) Unless the decision states otherwise, a decision of the office issued under this section
256.29 has precedential effect on future complaints under this section and shall, where appropriate,
256.30 be used to provide guidance to similarly situated persons or government entities.

256.31 (c) A government entity, member of a body subject to chapter 13D, or person that acts
256.32 in conformity with a decision of the office made under this section is not liable for
256.33 compensatory or exemplary damages or awards of attorney fees in actions for violations

257.1 arising under this section or section 13.08, or for a penalty under section 13.09 or for fines,
257.2 awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject
257.3 to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on
257.4 a decision of the office made under this section.

257.5 Sec. 35. Minnesota Statutes 2016, section 13.64, is amended by adding a subdivision to
257.6 read:

257.7 **Subd. 4. Fiscal note data must be shared with Legislative Budget Office. A**
257.8 **government entity must provide any data, regardless of its classification, to the director of**
257.9 **the Legislative Budget Office for review, upon the director's request and consistent with**
257.10 **section 3.8853, subdivision 4. The data must be supplied according to any standards,**
257.11 **guidelines, or procedures adopted under section 3.8853, subdivision 3, including any**
257.12 **standards or procedures governing timeliness. Notwithstanding section 13.05, subdivision**
257.13 **9, a responsible authority may not require the Legislative Budget Office to pay a cost for**
257.14 **supplying data requested under this subdivision.**

257.15 **EFFECTIVE DATE.** This section is effective January 8, 2019.

257.16 Sec. 36. Minnesota Statutes 2016, section 13.685, is amended to read:

257.17 **13.685 MUNICIPAL UTILITY CUSTOMER DATA.**

257.18 Data on customers of municipal electric utilities are private data on individuals or
257.19 nonpublic data, but may be released to:

257.20 (1) a law enforcement agency that requests access to the data in connection with an
257.21 investigation;

257.22 (2) a school for purposes of compiling pupil census data;

257.23 (3) the Metropolitan Council for use in studies or analyses required by law;

257.24 (4) a public child support authority for purposes of establishing or enforcing child support;

257.25 or

257.26 (5) a person where use of the data directly advances the general welfare, health, or safety
257.27 of the public; the ~~commissioner of administration~~ information policy analysis unit may issue
257.28 advisory opinions construing this clause pursuant to section 13.072.

258.1 Sec. 37. Minnesota Statutes 2016, section 13D.06, subdivision 4, is amended to read:

258.2 Subd. 4. **Costs; attorney fees; requirements; limits.** (a) In addition to other remedies,
258.3 the court may award reasonable costs, disbursements, and reasonable attorney fees of up to
258.4 \$13,000 to any party in an action under this chapter.

258.5 (b) The court may award costs and attorney fees to a defendant only if the court finds
258.6 that the action under this chapter was frivolous and without merit.

258.7 (c) A public body may pay any costs, disbursements, or attorney fees incurred by or
258.8 awarded against any of its members in an action under this chapter.

258.9 (d) No monetary penalties or attorney fees may be awarded against a member of a public
258.10 body unless the court finds that there was an intent to violate this chapter.

258.11 (e) The court shall award reasonable attorney fees to a prevailing plaintiff who has
258.12 brought an action under this section if the public body that is the defendant in the action
258.13 was also the subject of a prior ~~written~~ advisory opinion issued under section 13.072 or a
258.14 prior decision of the Office of Administrative Hearings issued under section 13.085, and
258.15 the court finds that the opinion or decision is directly related to the cause of action being
258.16 litigated and that the public body did not act in conformity with the opinion or decision.
258.17 The court shall give deference to the opinion or decision in a proceeding brought under this
258.18 section.

258.19 Sec. 38. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended
258.20 to read:

258.21 Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall
258.22 not exceed 120 percent of the salary of the governor. This limit must be adjusted annually
258.23 on January 1. The new limit must equal the limit for the prior year increased by the percentage
258.24 increase, if any, in the Consumer Price Index for all urban consumers from October of the
258.25 second prior year to October of the immediately prior year. The commissioner of management
258.26 and budget must publish the limit on the department's Web site. This subdivision applies
258.27 to the following positions:

258.28 Executive director of Gambling Control Board;

258.29 Commissioner of Iron Range resources and rehabilitation;

258.30 Commissioner, Bureau of Mediation Services;

258.31 Ombudsman for Mental Health and Developmental Disabilities;

258.32 ~~Chair, Metropolitan Council;~~

259.1 School trust lands director;
259.2 Executive director of pari-mutuel racing; and
259.3 Commissioner, Public Utilities Commission.

259.4 **EFFECTIVE DATE.** This section is effective January 1, 2019.

259.5 Sec. 39. Minnesota Statutes 2016, section 16A.013, is amended by adding a subdivision
259.6 to read:

259.7 **Subd. 1a. Opportunity to make gifts via Web site.** The commissioner of management
259.8 and budget must maintain a secure Web site which permits any person to make a gift of
259.9 money electronically for any purpose authorized by subdivision 1. Gifts made using the
259.10 Web site are subject to all other requirements of this section, sections 16A.014 to 16A.016,
259.11 and any other applicable law governing the receipt of gifts by the state and the purposes for
259.12 which a gift may be used. The Web site must include historical data on the total amount of
259.13 gifts received using the site, itemized by month.

259.14 Sec. 40. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

259.15 Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature.
259.16 Parts one and two, the budget message and detailed operating budget, must be submitted
259.17 by the fourth Tuesday in January in each odd-numbered year. However, in a year following
259.18 the election of a governor who had not been governor the previous year, parts one and two
259.19 must be submitted by the third Tuesday in February. Part three, the detailed recommendations
259.20 as to capital expenditure, must be submitted as follows: agency capital budget requests by
259.21 July 15 of each odd-numbered year, and governor's recommendations by January 15 of each
259.22 even-numbered year. ~~Detailed recommendations as to information technology expenditure~~
259.23 ~~must be submitted as part of the detailed operating budget. Information technology~~
259.24 ~~recommendations must include projects to be funded during the next biennium and planning~~
259.25 ~~estimates for an additional two bienniums. Information technology recommendations must~~
259.26 ~~specify purposes of the funding such as infrastructure, hardware, software, or training.~~

259.27 Sec. 41. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to
259.28 read:

259.29 **Subd. 6a. Information technology and cyber security.** (a) Detailed recommendations
259.30 as to information and telecommunications technology systems and services expenditures
259.31 must be submitted as part of the detailed operating budget. These recommendations must
259.32 include projects to be funded during the next biennium and planning estimates for an

260.1 additional two bienniums, and must specify purposes of the funding, such as infrastructure,
260.2 hardware, software, or training. The detailed operating budget must also separately
260.3 recommend expenditures for the maintenance and enhancement of cyber security for the
260.4 state's information and telecommunications technology systems and services.

260.5 (b) The commissioner of management and budget, in consultation with the state chief
260.6 information officer, shall establish budget guidelines for the recommendations required by
260.7 this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount
260.8 to be budgeted each fiscal year for maintenance and enhancement of cyber security must
260.9 be at least 3.5 percent of a department's or agency's total operating budget for information
260.10 and telecommunications technology systems and services in that year.

260.11 (c) As used in this subdivision:

260.12 (1) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph
260.13 (d); and

260.14 (2) "information and telecommunications technology systems and services" has the
260.15 meaning given in section 16E.03, subdivision 1, paragraph (a).

260.16 Sec. 42. Minnesota Statutes 2017 Supplement, section 16A.152, subdivision 2, is amended
260.17 to read:

260.18 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
260.19 revenues and expenditures, the commissioner of management and budget determines that
260.20 there will be a positive unrestricted budgetary general fund balance at the close of the
260.21 biennium, the commissioner of management and budget must allocate money to the following
260.22 accounts and purposes in priority order:

260.23 (1) the cash flow account established in subdivision 1 until that account reaches
260.24 \$350,000,000;

260.25 (2) the budget reserve account established in subdivision 1a until that account reaches
260.26 \$1,596,522,000;

260.27 (3) the amount necessary to increase the aid payment schedule for school district aids
260.28 and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest
260.29 tenth of a percent without exceeding the amount available and with any remaining funds
260.30 deposited in the budget reserve; and

261.1 (4) the amount necessary to restore all or a portion of the net aid reductions under section
261.2 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
261.3 subdivision 5, by the same amount; ~~and.~~

261.4 ~~(5) the clean water fund established in section 114D.50 until \$22,000,000 has been~~
261.5 ~~transferred into the fund.~~

261.6 (b) The amounts necessary to meet the requirements of this section are appropriated
261.7 from the general fund within two weeks after the forecast is released or, in the case of
261.8 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
261.9 schedules otherwise established in statute.

261.10 (c) The commissioner of management and budget shall certify the total dollar amount
261.11 of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education.
261.12 The commissioner of education shall increase the aid payment percentage and reduce the
261.13 property tax shift percentage by these amounts and apply those reductions to the current
261.14 fiscal year and thereafter.

261.15 ~~(d) Paragraph (a), clause (5), expires after the entire amount of the transfer has been~~
261.16 ~~made.~~

261.17 Sec. 43. Minnesota Statutes 2016, section 16D.09, is amended to read:

261.18 **16D.09 UNCOLLECTIBLE DEBTS.**

261.19 Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be
261.20 uncollectible, the debt may be written off by the state agency from the state agency's financial
261.21 accounting records and no longer recognized as an account receivable for financial reporting
261.22 purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts
261.23 have been exhausted, (2) the cost of further collection action will exceed the amount
261.24 recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence,
261.25 (4) the debtor cannot be located, (5) the available assets or income, current or anticipated,
261.26 that may be available for payment of the debt are insufficient, (6) the debt has been
261.27 discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt
261.28 has expired, or (8) it is not in the public interest to pursue collection of the debt.

261.29 (b) The determination of the uncollectibility of a debt must be reported by the state
261.30 agency along with the basis for that decision as part of its quarterly reports to the
261.31 commissioner of management and budget. If a state agency's quarterly report includes an
261.32 uncollectible debt that exceeds \$10,000, a copy of the report must be submitted to the chairs
261.33 and ranking minority members of the legislative committees with jurisdiction over the state

262.1 agency's budget at the same time the report is delivered to the commissioner of management
262.2 and budget. Determining that the debt is uncollectible does not cancel the legal obligation
262.3 of the debtor to pay the debt.

262.4 Sec. 44. Minnesota Statutes 2016, section 16E.016, is amended to read:

262.5 **16E.016 RESPONSIBILITY FOR INFORMATION TECHNOLOGY SERVICES**
262.6 **AND EQUIPMENT.**

262.7 (a) The chief information officer is responsible for providing or entering into managed
262.8 services contracts for the provision, improvement, and development of the following
262.9 information technology systems and services to state agencies:

262.10 (1) state data centers;

262.11 (2) mainframes including system software;

262.12 (3) servers including system software;

262.13 (4) desktops including system software;

262.14 (5) laptop computers including system software;

262.15 (6) a data network including system software;

262.16 (7) database, electronic mail, office systems, reporting, and other standard software
262.17 tools;

262.18 (8) business application software and related technical support services;

262.19 (9) help desk for the components listed in clauses (1) to (8);

262.20 (10) maintenance, problem resolution, and break-fix for the components listed in clauses
262.21 (1) to (8);

262.22 (11) regular upgrades and replacement for the components listed in clauses (1) to (8);

262.23 and

262.24 (12) network-connected output devices.

262.25 (b) All state agency employees whose work primarily involves functions specified in
262.26 paragraph (a) are employees of the Office of MN.IT Services. This includes employees who
262.27 directly perform the functions in paragraph (a), as well as employees whose work primarily
262.28 involves managing, supervising, or providing administrative services or support services
262.29 to employees who directly perform these functions. The chief information officer may assign
262.30 employees of the office to perform work exclusively for another state agency.

263.1 (c) Subject to sections 16C.08 and 16C.09, the chief information officer may allow a
263.2 state agency to obtain services specified in paragraph (a) through a contract with an outside
263.3 vendor when the chief information officer and the agency head agree that a contract would
263.4 provide best value, as defined in section 16C.02, under the service-level agreement. The
263.5 chief information officer must require that agency contracts with outside vendors ensure
263.6 that systems and services are compatible with standards established by the Office of MN.IT
263.7 Services.

263.8 ~~(d) The Minnesota State Retirement System, the Public Employees Retirement~~
263.9 ~~Association, the Teachers Retirement Association, the State Board of Investment, the~~
263.10 ~~Campaign Finance and Public Disclosure Board, the State Lottery, and the Statewide Radio~~
263.11 ~~Board are not state agencies for purposes of this section.~~

263.12 (d) Effective upon certification by the chief information officer that the information
263.13 technology systems and services provided under this section meet all professional and
263.14 technical standards necessary for the entity to perform its functions, including functions
263.15 necessary to meet any fiduciary or other duties of care, the following are state agencies for
263.16 purposes of this section: the Campaign Finance and Public Disclosure Board, the State
263.17 Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the Public
263.18 Employees Retirement Association, the Teachers Retirement Association, and the State
263.19 Board of Investment.

263.20 **EFFECTIVE DATE.** This section is effective July 1, 2019.

263.21 Sec. 45. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

263.22 Subd. 4. **Evaluation procedure.** The chief information officer shall establish and, as
263.23 necessary, update and modify procedures to evaluate information and communications
263.24 projects proposed by state agencies. The evaluation procedure must assess the necessity,
263.25 design and plan for development, ability to meet user requirements, accessibility, feasibility,
263.26 and flexibility of the proposed data processing device or system, its relationship to other
263.27 state or local data processing devices or systems, and its costs and benefits when considered
263.28 by itself and when compared with other options. The evaluation procedure must also include
263.29 a process for consultation with affected local units of government, if implementation of the
263.30 proposed project requires the participation of both a state agency and a local government.

263.31 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to the evaluation
263.32 procedure for information and telecommunications technology projects reviewed by the
263.33 state chief information officer on or after January 1, 2019.

264.1 Sec. 46. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

264.2 Subd. 7. **Cyber security systems.** In consultation with the attorney general and
264.3 appropriate agency heads, the chief information officer shall develop cyber security policies,
264.4 guidelines, and standards, and shall install and administer state data security systems on the
264.5 state's computer facilities consistent with these policies, guidelines, standards, and state law
264.6 to ensure the integrity of computer-based and other data and to ensure applicable limitations
264.7 on access to data, consistent with the public's right to know as defined in chapter 13. The
264.8 chief information officer is responsible for overall security of state agency networks
264.9 connected to the Internet. Each department or agency head is responsible for the security
264.10 of the department's or agency's data within the guidelines of established enterprise policy.
264.11 Unless otherwise expressly provided by law, at least 3.5 percent of each department's or
264.12 agency's expenditures in a fiscal year for information and telecommunications technology
264.13 systems and services must be directed to the maintenance and enhancement of cyber security.

264.14 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to expenditures
264.15 in fiscal years beginning on or after that date.

264.16 Sec. 47. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to
264.17 read:

264.18 Subd. 11. **Systems impacting local government.** An information and telecommunications
264.19 technology project that includes the participation of both a state agency and a local unit of
264.20 government may not be approved for full release or deployment until the project has been
264.21 field tested by at least one local unit of government, and the results of the field test
264.22 successfully demonstrate the integrity, security, and quality of the technology, and that the
264.23 functionality and usability of the overall project meet the expectations described in the
264.24 project's proposal. Standards for field testing that meet the requirements of this subdivision
264.25 must be incorporated into the project's development plan before it may be approved by the
264.26 chief information officer under subdivision 3.

264.27 **EFFECTIVE DATE.** This section is effective July 1, 2018, and applies to information
264.28 and telecommunications technology projects approved by the state chief information officer
264.29 on or after that date.

264.30 Sec. 48. **[43A.035] USE OF AGENCY SAVINGS FROM VACANT POSITIONS.**

264.31 (a) To the extent that an executive branch agency accrues savings in personnel costs
264.32 resulting from the departure of an agency employee or the maintenance of a vacant position,
264.33 those savings may only be used to support a new employee in that position at an equal or

265.1 lesser rate of compensation, and for an equal or lesser full-time equivalent work status.
265.2 Savings accrued from departed personnel or maintenance of a vacant position may not be
265.3 transferred or reallocated to another program or activity within the executive branch agency,
265.4 or used to increase the number of full-time equivalent employees at the agency, unless
265.5 expressly authorized by law.

265.6 (b) For purposes of this section, an "executive branch agency" does not include the
265.7 Minnesota State Colleges and Universities or statewide pension plans.

265.8 **Sec. 49. [43A.385] HARASSMENT, MISCONDUCT, AND DISCRIMINATION;**
265.9 **INDEPENDENT OFFICE ESTABLISHED.**

265.10 Subdivision 1. **Office established; purpose.** An independent, centralized office to
265.11 receive and investigate complaints of harassment, misconduct, and discrimination, including
265.12 sexual harassment, in executive branch state agencies is established. The office shall be led
265.13 by a director, appointed by the commissioner of management and budget, who serves in
265.14 the unclassified service. The purpose of the office is to apply consistent practices in the
265.15 investigation of these complaints across agencies and reinforce a culture that encourages
265.16 the reporting of such complaints by increasing confidence in the process and the fairness
265.17 of the outcome.

265.18 Subd. 2. **Office duties.** (a) In addition to the requirements of subdivisions 3 to 7, the
265.19 office must:

265.20 (1) collect, maintain, and analyze data related to complaints of harassment, misconduct,
265.21 and discrimination across state government and must provide public, de-identified summary
265.22 reports on the data;

265.23 (2) provide an opportunity for state employees, and members of the public who interact
265.24 with state employees, to report a complaint, provided that the office's complaint procedures
265.25 must be in addition to existing opportunities for reporting available through other means;

265.26 (3) review complaints filed, and provide related investigation services, to all state
265.27 agencies;

265.28 (4) in the event the office determines that a complaint is substantiated, determine an
265.29 appropriate corrective action in response, in consultation with the agency employing the
265.30 person found to have engaged in improper conduct;

265.31 (5) track the outcomes of disciplinary or other corrective action, and advise agencies as
265.32 needed to ensure consistency in these actions; and

266.1 (6) employ trained staff to provide resources and information to all parties to a complaint.

266.2 (b) State agencies must provide applicable data to the office as required by this section,
266.3 and must otherwise assist the office in fulfilling its responsibilities, as requested by the
266.4 director.

266.5 Subd. 3. **State employee community survey.** The office must administer an employee
266.6 community survey to gain feedback on the workplace in state agencies. Results of the survey
266.7 must be used to review the effectiveness of existing agency leadership efforts, and the
266.8 application of existing policies and procedures within each agency. The survey must be
266.9 intended to solicit feedback from employees on:

266.10 (1) whether they feel safe in their workplaces;

266.11 (2) whether they are knowledgeable about the process for reporting complaints of
266.12 harassment, misconduct, or discrimination;

266.13 (3) their level of satisfaction with reporting a complaint, if applicable; and

266.14 (4) suggestions for ways their employing agency can provide additional support to
266.15 employees who have made a complaint.

266.16 Subd. 4. **Complaint hotline.** The office may enter a contract for the development and
266.17 maintenance of a hotline that may be used by state employees to report a complaint of
266.18 harassment, misconduct, or discrimination.

266.19 Subd. 5. **Audits.** The office must conduct audits, to ensure state agencies have effective
266.20 and consistent policies and procedures to prevent and correct harassment, misconduct, and
266.21 discrimination. The audits must include an evaluation of outcomes related to complaints of
266.22 harassment based on a status protected under chapter 363A. The office must provide technical
266.23 guidance and otherwise assist agencies in making corrections in response to an audit's
266.24 findings, and in ensuring consistency in the handling of complaints.

266.25 Subd. 6. **Training.** The office must provide a centralized, consistent, regular training
266.26 program for all state agencies designed to increase the knowledge of state employees in the
266.27 state's harassment, misconduct, and discrimination prevention policies, procedures, and
266.28 resources, and to create a culture of prevention and support for victims. The content of the
266.29 program must include bystander training, retaliation prevention training, and respect in the
266.30 workplace training. Customized training programs must be offered for: (1) general state
266.31 employees; (2) supervisors and managers; and (3) agency affirmative action and human
266.32 resources employees.

267.1 Subd. 7. **Annual legislative report required.** No later than January 15, 2019, and
267.2 annually thereafter, the office must provide a written report to the chairs and ranking minority
267.3 members of the legislative committees with jurisdiction over state government finance and
267.4 state government operations on the work of the office. The report must include detail on
267.5 disciplinary and other corrective actions taken by state agencies in response to a substantiated
267.6 complaint. The report must not identify a party to a complaint, unless the identity is public
267.7 under applicable law.

267.8 Subd. 8. **Transfer of responsibilities to office.** To the extent that a responsibility
267.9 described in subdivisions 1 to 7 conflicts with or duplicates the responsibilities of an existing
267.10 office or department within a state agency, those responsibilities are transferred to the
267.11 centralized office established by this section, consistent with the requirements of section
267.12 15.039. The commissioner of administration may, with the approval of the governor, issue
267.13 reorganization orders under section 16B.37 as necessary to complete the transfer of duties
267.14 required by this subdivision.

267.15 Sec. 50. Minnesota Statutes 2016, section 155A.23, subdivision 8, is amended to read:

267.16 Subd. 8. **Manager.** A "manager" is any person who is a cosmetologist, esthetician,
267.17 advanced practice esthetician, or nail technician practitioner, ~~or eyelash technician~~
267.18 ~~practitioner~~, and who has a manager license and provides any services under that license,
267.19 as defined in subdivision 3.

267.20 Sec. 51. Minnesota Statutes 2016, section 155A.25, subdivision 1a, is amended to read:

267.21 Subd. 1a. **Schedule.** (a) The schedule for fees and penalties is as provided in this
267.22 subdivision.

267.23 (b) Three-year license fees are as follows:

267.24 (1) \$195 initial practitioner, manager, or instructor license, divided as follows:

267.25 (i) \$155 for each initial license; and

267.26 (ii) \$40 for each initial license application fee;

267.27 (2) \$115 renewal of practitioner license, divided as follows:

267.28 (i) \$100 for each renewal license; and

267.29 (ii) \$15 for each renewal application fee;

267.30 (3) \$145 renewal of manager or instructor license, divided as follows:

- 268.1 (i) \$130 for each renewal license; and
- 268.2 (ii) \$15 for each renewal application fee;
- 268.3 (4) \$350 initial salon license, divided as follows:
- 268.4 (i) \$250 for each initial license; and
- 268.5 (ii) \$100 for each initial license application fee;
- 268.6 (5) \$225 renewal of salon license, divided as follows:
- 268.7 (i) \$175 for each renewal; and
- 268.8 (ii) \$50 for each renewal application fee;
- 268.9 (6) \$4,000 initial school license, divided as follows:
- 268.10 (i) \$3,000 for each initial license; and
- 268.11 (ii) \$1,000 for each initial license application fee; and
- 268.12 (7) \$2,500 renewal of school license, divided as follows:
- 268.13 (i) \$2,000 for each renewal; and
- 268.14 (ii) \$500 for each renewal application fee.
- 268.15 (c) Penalties may be assessed in amounts up to the following:
- 268.16 (1) reinspection fee, \$150;
- 268.17 (2) manager and owner with expired practitioner found on inspection, \$150 each;
- 268.18 (3) expired practitioner or instructor found on inspection, \$200;
- 268.19 (4) expired salon found on inspection, \$500;
- 268.20 (5) expired school found on inspection, \$1,000;
- 268.21 (6) failure to display current license, \$100;
- 268.22 (7) failure to dispose of single-use equipment, implements, or materials as provided
- 268.23 under section 155A.355, subdivision 1, \$500;
- 268.24 (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355,
- 268.25 subdivision 2, \$500;
- 268.26 (9) performing nail or cosmetology services in esthetician salon, or performing esthetician
- 268.27 or cosmetology services in a nail salon, \$500;

269.1 (10) owner and manager allowing an operator to work as an independent contractor,
269.2 \$200;

269.3 (11) operator working as an independent contractor, \$100;

269.4 (12) refusal or failure to cooperate with an inspection, \$500;

269.5 (13) practitioner late renewal fee, \$45; and

269.6 (14) salon or school late renewal fee, \$50.

269.7 (d) Administrative fees are as follows:

269.8 (1) homebound service permit, \$50 three-year fee;

269.9 (2) name change, \$20;

269.10 (3) certification of licensure, \$30 each;

269.11 (4) duplicate license, \$20;

269.12 (5) special event permit, \$75 per year;

269.13 ~~(6) registration of hair braiders, \$20 per year;~~

269.14 ~~(7)~~ (6) \$100 for each temporary military license for a cosmetologist, nail technician,
269.15 esthetician, or advanced practice esthetician one-year fee;

269.16 ~~(8)~~ (7) expedited initial individual license, \$150;

269.17 ~~(9)~~ (8) expedited initial salon license, \$300;

269.18 ~~(10)~~ (9) instructor continuing education provider approval, \$150 each year; and

269.19 ~~(11)~~ (10) practitioner continuing education provider approval, \$150 each year.

269.20 Sec. 52. Minnesota Statutes 2016, section 155A.28, is amended by adding a subdivision
269.21 to read:

269.22 Subd. 5. **Hair braiders exempt.** The practice of hair braiding is exempt from the
269.23 requirements of this chapter.

269.24 Sec. 53. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

269.25 Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation
269.26 unless the services are provided by a licensee in a licensed salon or as otherwise provided
269.27 in this section. Each salon must be licensed as a cosmetology salon, a nail salon, esthetician

270.1 salon, or advanced practice esthetician salon, or eyelash extension salon. A salon may hold
270.2 more than one type of salon license.

270.3 Sec. 54. Minnesota Statutes 2016, section 155A.29, subdivision 6, is amended to read:

270.4 Subd. 6. **Exemption.** The facility in which a person provides threading or eyelash
270.5 extension services and no other services requiring licensure by this chapter is exempt from
270.6 the requirement for a salon license under this section.

270.7 Sec. 55. Minnesota Statutes 2016, section 240.01, is amended by adding a subdivision to
270.8 read:

270.9 Subd. 18a. **Racing or gaming-related vendor.** "Racing or gaming-related vendor"
270.10 means any person or entity that manufactures, sells, provides, distributes, repairs, or maintains
270.11 equipment or supplies used at a Class A facility or provides services to a Class A facility
270.12 or Class B license holder that are directly related to the running of a horse race, simulcasting,
270.13 pari-mutuel betting, or card playing.

270.14 Sec. 56. Minnesota Statutes 2016, section 240.02, subdivision 6, is amended to read:

270.15 Subd. 6. **Annual report.** The commission shall on February 15 of each odd-numbered
270.16 year submit a report to the governor and legislature on its activities, organizational structure,
270.17 receipts and disbursements, and recommendations for changes in the laws relating to racing
270.18 and pari-mutuel betting.

270.19 Sec. 57. Minnesota Statutes 2016, section 240.08, subdivision 5, is amended to read:

270.20 Subd. 5. **Revocation and suspension.** (a) The commission may revoke a class C license
270.21 for a violation of law or rule which in the commission's opinion adversely affects the integrity
270.22 of horse racing in Minnesota, the public health, welfare, or safety, or for an intentional false
270.23 statement made in a license application.

270.24 The commission may suspend a class C license for up to one year for a violation of law,
270.25 order or rule.

270.26 The commission may delegate to its designated agents the authority to impose suspensions
270.27 of class C licenses, and the revocation or suspension of a class C license may be appealed
270.28 to the commission according to its rules.

270.29 (b) ~~A license revocation or suspension~~ If the commission revokes or suspends a license
270.30 for more than 90 180 days is, in lieu of appealing to the commission under paragraph (a),

271.1 the license holder has the right to request a contested case hearing under sections 14.57 to
271.2 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed
271.3 for a violation of law or rule, chapter 14. The request must be made in writing to the
271.4 commission by certified mail or personal service. A request sent by certified mail must be
271.5 postmarked within ten days after the license holder receives the revocation or suspension
271.6 order from the commission. A request sent by personal service must be received by the
271.7 commission within ten days after the license holder receives the revocation or suspension
271.8 order from the commission. The commission may summarily suspend a license for more
271.9 than up to 90 days prior to a contested case hearing where it is necessary to ensure the
271.10 integrity of racing or to protect the public health, welfare, or safety. The license holder may
271.11 appeal a summary suspension by making a written request to the commission within five
271.12 calendar days after the license holder receives notice of the summary suspension. A contested
271.13 ease hearing must be held within 30 ten days of the commission's receipt of the request for
271.14 appeal of a summary suspension and the administrative law judge's report must be issued
271.15 within 30 days from the close of the hearing record. In all cases involving summary
271.16 suspension the commission must issue its final decision within 30 days from receipt of the
271.17 report of the administrative law judge and subsequent exceptions and argument under section
271.18 14.61, to determine whether the license should remain suspended pending a final disciplinary
271.19 action.

271.20 Sec. 58. Minnesota Statutes 2016, section 240.131, subdivision 7, is amended to read:

271.21 Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of one percent
271.22 of all amounts wagered by Minnesota residents with an authorized advance deposit wagering
271.23 provider. The fee shall be declared on a form prescribed by the commission. The ADW
271.24 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
271.25 the month in which the wager was made. Fees collected under this paragraph must be
271.26 deposited in the state treasury and credited to a racing and card-playing regulation account
271.27 in the special revenue fund and are appropriated to the commission to offset the costs
271.28 associated with regulating horse racing and pari-mutuel wagering in Minnesota.

271.29 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all
271.30 amounts wagered by Minnesota residents with an authorized advance deposit wagering
271.31 provider. The fee shall be declared on a form prescribed by the commission. The ADW
271.32 provider must pay the fee to the commission no more than ~~seven~~ 15 days after the end of
271.33 the month in which the wager was made. Fees collected under this paragraph must be
271.34 deposited in the state treasury and credited to a racing and card-playing regulation account

272.1 in the special revenue fund and are appropriated to the commission to offset the cost of
272.2 administering the breeders fund and promote horse breeding in Minnesota.

272.3 Sec. 59. Minnesota Statutes 2016, section 240.22, is amended to read:

272.4 **240.22 FINES.**

272.5 (a) The commission shall by rule establish a schedule of civil fines for violations of laws
272.6 related to horse racing or of the commission's rules. The schedule must be based on and
272.7 reflect the culpability, frequency and severity of the violator's actions. The commission may
272.8 impose a fine from this schedule on a licensee for a violation of those rules or laws relating
272.9 to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.
272.10 Fines imposed by the commission must be paid to the commission and except as provided
272.11 in paragraph (c), forwarded to the commissioner of management and budget for deposit in
272.12 the state treasury and credited to a racing and card-playing regulation account in the special
272.13 revenue fund and appropriated to the commission to distribute in the form of grants, contracts,
272.14 or expenditures to support racehorse adoption, retirement, and repurposing.

272.15 (b) If the commission issues a fine in excess of \$5,000, the license holder has the right
272.16 to request a contested case hearing under chapter 14, to be held as set forth in Minnesota
272.17 Rules, chapter 1400. The appeal of a fine must be made in writing to the commission by
272.18 certified mail or personal service. An appeal sent by certified mail must be postmarked
272.19 within ten days after the license holder receives the fine order from the commission. An
272.20 appeal sent by personal service must be received by the commission within ten days after
272.21 the license holder receives the fine order from the commission.

272.22 (c) If the commission is the prevailing party in a contested case proceeding, the
272.23 commission may recover, from amounts to be forwarded under paragraph (a), reasonable
272.24 attorney fees and costs associated with the contested case.

272.25 Sec. 60. Minnesota Statutes 2016, section 270C.13, subdivision 1, is amended to read:

272.26 Subdivision 1. **Biennial report.** The commissioner shall report to the legislature by
272.27 March 1 of each odd-numbered year on the overall incidence of the income tax, sales and
272.28 excise taxes, and property tax. The report shall present information on the distribution of
272.29 the tax burden as follows: (1) for the overall income distribution, using a systemwide
272.30 incidence measure such as the Suits index or other appropriate measures of equality and
272.31 inequality; (2) by income classes, including at a minimum deciles of the income distribution;
272.32 and (3) by other appropriate taxpayer characteristics. The report must also include information
272.33 on the distribution of the burden of federal taxes borne by Minnesota residents.

273.1 Sec. 61. Minnesota Statutes 2016, section 340A.412, is amended by adding a subdivision
273.2 to read:

273.3 Subd. 12a. **Wine transfers.** Notwithstanding the provisions of subdivision 12, the holder
273.4 of an off-sale retail intoxicating liquor license may transfer wine from one licensed premises
273.5 to another provided that:

273.6 (1) the license for the transferring and receiving premises are held by the same licensee;
273.7 and

273.8 (2) only one transfer is made from a licensed premises in a three-month period.

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

273.10 Sec. 62. Minnesota Statutes 2016, section 349A.06, subdivision 11, is amended to read:

273.11 Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a)
273.12 The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from
273.13 selling lottery tickets at a business location who:

273.14 (1) has been convicted of a felony or gross misdemeanor;

273.15 (2) has committed fraud, misrepresentation, or deceit;

273.16 (3) has provided false or misleading information to the lottery; or

273.17 (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

273.18 (b) The director may cancel, suspend, or refuse to renew the contract of any lottery
273.19 retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

273.20 (1) changes business location;

273.21 (2) fails to account for lottery tickets received or the proceeds from tickets sold;

273.22 (3) fails to remit funds to the director in accordance with the director's rules;

273.23 (4) violates a law or a rule or order of the director;

273.24 (5) fails to comply with any of the terms in the lottery retailer's contract;

273.25 (6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

273.26 (7) in the opinion of the director fails to maintain a sufficient sales volume to justify
273.27 continuation as a lottery retailer; ~~or~~

273.28 (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within
273.29 a two-year period; or

274.1 (9) has violated the rules adopted pursuant to subdivision 6, clause (1), requiring a lottery
274.2 retailer to retain appropriate amounts from gross receipts from the sale of lottery tickets in
274.3 order to pay prizes to holders of winning tickets, three or more times within a one-year
274.4 period.

274.5 (c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract
274.6 or prohibit a lottery retailer from selling lottery tickets at a business location if there is a
274.7 material change in any of the factors considered by the director under subdivision 2.

274.8 (d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer
274.9 from selling lottery tickets at a business location under this subdivision is a contested case
274.10 under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a
274.11 violation of law or rule.

274.12 (e) The director may temporarily suspend a contract or temporarily prohibit a lottery
274.13 retailer from selling lottery tickets at a business location without notice for any of the reasons
274.14 specified in this subdivision provided that a hearing is conducted within seven days after a
274.15 request for a hearing is made by a lottery retailer. Within 20 days after receiving the
274.16 administrative law judge's report, the director shall issue an order vacating the temporary
274.17 suspension or prohibition or making any other appropriate order. If no hearing is requested
274.18 within 30 days of the temporary suspension or prohibition taking effect, the suspension or
274.19 prohibition becomes permanent unless the director vacates or modifies the order.

274.20 (f) A lottery retailer whose contract was solely canceled, suspended, or not renewed
274.21 pursuant to paragraph (b), clause (9), may petition the director to reinstate a canceled or
274.22 suspended contract, or enter into a new contract, after two years have passed since the order
274.23 took effect.

274.24 Sec. 63. Minnesota Statutes 2016, section 424B.20, subdivision 4, is amended to read:

274.25 Subd. 4. **Benefit trust fund establishment.** (a) After the settlement of nonbenefit legal
274.26 obligations of the special fund of the volunteer firefighters relief association under subdivision
274.27 3, the board of the relief association shall transfer the remaining assets of the special fund,
274.28 as securities or in cash, as applicable, to the chief financial official of the municipality in
274.29 which the associated fire department was located if the fire department was a municipal fire
274.30 department or to the chief financial official of the municipality with the largest population
274.31 served by the fire department if the fire department was an independent nonprofit firefighting
274.32 corporation. The board shall also compile a schedule of the relief association members to
274.33 whom a service pension is or will be owed, any beneficiary to whom a benefit is owed, the
274.34 amount of the service pension or benefit payable based on the applicable bylaws and state

275.1 law and the service rendered to the date of the dissolution, and the date on which the pension
275.2 or benefit would first be payable under the bylaws of the relief association and state law.

275.3 (b) The municipality in which is located a volunteer firefighters relief association that
275.4 is dissolving under this section shall establish a separate account in the municipal treasury
275.5 which must function as a trust fund for members of the volunteer firefighters relief association
275.6 and their beneficiaries to whom the volunteer firefighters relief association owes a service
275.7 pension or other benefit under the bylaws of the relief association and state law. Upon proper
275.8 application, on or after the initial date on which the service pension or benefit is payable,
275.9 the municipal treasurer shall pay the pension or benefit due, based on the schedule prepared
275.10 under paragraph (a) and the other records of the dissolved relief association. The trust fund
275.11 under this section must be invested and managed consistent with chapter 356A and section
275.12 424A.095.

275.13 (c) Upon payment of the last service pension or benefit due and owing, any remaining
275.14 assets in the trust fund ~~cancel to~~ as follows:

275.15 (1) if the municipality was required to make contributions to the fund under chapter
275.16 424A at any time during the ten years preceding the date of dissolution, the remaining assets
275.17 cancel to the general fund of the municipality; or

275.18 (2) if the municipality was not required to make contributions to the fund under chapter
275.19 424A at any time during the ten years preceding the date of dissolution, the remaining assets
275.20 cancel to the general fund of the state.

275.21 (d) If the special fund of the volunteer firefighters relief association had an unfunded
275.22 actuarial accrued liability upon dissolution, the municipality is liable for that unfunded
275.23 actuarial accrued liability.

275.24 Sec. 64. Minnesota Statutes 2016, section 473.123, subdivision 1, is amended to read:

275.25 Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction
275.26 in the metropolitan area is established as a public corporation and political subdivision of
275.27 the state. It shall be under the supervision and control of ~~17~~ 28 members, all of whom shall
275.28 be residents of the metropolitan area; and who shall be appointed as follows:

275.29 (1) a county commissioner from each of Anoka, Carver, Dakota, Ramsey, Scott, and
275.30 Washington Counties, appointed by the respective county boards;

275.31 (2) two county commissioners from Hennepin County appointed by the county board,
275.32 one of whom must represent a ward that is predominantly located within the city of

276.1 Minneapolis, and one of whom must represent a ward that does not include the city of
 276.2 Minneapolis;

276.3 (3) a local elected official appointed from each Metropolitan Council district by the
 276.4 municipal committee for the council district established in subdivision 2b;

276.5 (4) the commissioner of transportation or the commissioner's designee;

276.6 (5) one person to represent nonmotorized transportation, appointed by the commissioner
 276.7 of transportation;

276.8 (6) one person to represent freight transportation, appointed by the commissioner of
 276.9 transportation; and

276.10 (7) one person to represent public transit, appointed by the commissioner of
 276.11 transportation.

276.12 (b) The local elected offices identified in paragraph (a) are compatible with the office
 276.13 of a Metropolitan Council member.

276.14 (c) Notwithstanding any change to the definition of metropolitan area in section 473.121,
 276.15 subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county
 276.16 metropolitan area.

276.17 **EFFECTIVE DATE.** Paragraph (c) is effective the day following final enactment.

276.18 Sec. 65. Minnesota Statutes 2016, section 473.123, subdivision 2a, is amended to read:

276.19 Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided
 276.20 under subdivision 3a, council members must be appointed from newly drawn districts as
 276.21 provided in subdivision 3a. Each council member, other than the chair, must reside in the
 276.22 council district represented. Each council district must be represented by one member of
 276.23 the council. The terms of members end with the term of the governor, except that all terms
 276.24 expire on the effective date of the next apportionment. A member serves at the pleasure of
 276.25 the governor. the municipal committee for each council district shall appoint a local elected
 276.26 official who resides in the district to serve on the Metropolitan Council for a four-year term.
 276.27 The terms of members appointed by municipal committees are staggered as follows: members
 276.28 representing an odd-numbered district have terms ending the first Monday in January of
 276.29 the year ending in the numeral "1" and members representing an even-numbered district
 276.30 have terms ending the first Monday in January in the year ending in the numeral "3."
 276.31 Thereafter, the term of each member is four years, with terms ending the first Monday in
 276.32 January, except that all terms expire on the effective date of the next apportionment. A

277.1 member's position on the Metropolitan Council becomes vacant if the member ceases to be
277.2 a local elected official or as provided in chapter 351, and any vacancy must be filled as soon
277.3 as practicable for the unexpired term in the same manner as the initial appointment. A
277.4 member shall continue to serve the member's district until a successor is appointed and
277.5 qualified; except that, following each apportionment, the member shall continue to serve
277.6 at large until the ~~governor appoints 16 council members, one~~ municipal committee for the
277.7 council district appoints a member from each of the newly drawn council districts district
277.8 as provided under subdivision 3a, to serve terms as provided under this section. The
277.9 appointment to the council must be made by the first Monday in March of the year in which
277.10 the term ends.

277.11 (b) The terms of members appointed by county boards are staggered as follows: members
277.12 representing the counties of Anoka, Dakota, Ramsey, and Scott have terms ending the first
277.13 Monday in January of the year ending in the numeral "1," and members representing the
277.14 counties of Carver, Hennepin, and Washington have terms ending the first Monday in
277.15 January of the year ending in the numeral "3." Thereafter, the term for each member is four
277.16 years. A member's position on the Metropolitan Council becomes vacant if the member
277.17 ceases to be a local elected official or as provided in chapter 351, and any vacancy must be
277.18 filled as soon as practicable for the unexpired term in the same manner as the initial
277.19 appointment.

277.20 (c) An individual appointed by the commissioner of transportation under subdivision 1
277.21 serves at the pleasure of the appointing authority.

277.22 Sec. 66. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision
277.23 to read:

277.24 Subd. 2b. **Municipal committee in each council district.** The governing body of each
277.25 home rule charter or statutory city and town in each Metropolitan Council district shall
277.26 appoint a member to serve on a municipal committee for the council district. If a city or
277.27 town is in more than one council district, the governing body must appoint a member to
277.28 serve on each council district's municipal committee. A member appointed to a council
277.29 district's municipal committee must reside in the council district. The municipal committee
277.30 must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal
277.31 committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.

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

278.1 Sec. 67. Minnesota Statutes 2016, section 473.123, subdivision 3a, is amended to read:

278.2 Subd. 3a. **Redistricting.** The legislature shall redraw the boundaries of the council
278.3 districts after each decennial federal census so that each district has substantially equal
278.4 population. Redistricting is effective in the year ending in the numeral "3." Within 60 days
278.5 after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint
278.6 members from the newly drawn districts to serve terms as provided under subdivision 2a.

278.7 Sec. 68. Minnesota Statutes 2016, section 473.123, subdivision 4, is amended to read:

278.8 Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The
278.9 chair of the Metropolitan Council shall be ~~appointed~~ selected by ~~the governor as the 17th~~
278.10 ~~voting member thereof by and with the advice and consent of the senate to serve at the~~
278.11 ~~pleasure of the governor to represent the metropolitan area at large. Senate confirmation~~
278.12 ~~shall be as provided by section 15.066~~ and from among the members of the Metropolitan
278.13 Council. The chair shall serve at the pleasure of the council. In addition to any compensation
278.14 as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement
278.15 of actual and necessary expenses as approved by the council.

278.16 The chair of the Metropolitan Council shall, if present, preside at meetings of the council,
278.17 have the primary responsibility for meeting with local elected officials, serve as the principal
278.18 legislative liaison, present to the governor and the legislature, after council approval, the
278.19 council's plans for regional governance and operations, serve as the principal spokesperson
278.20 of the council, and perform other duties assigned by the council or by law.

278.21 (b) The Metropolitan Council shall elect other officers as it deems necessary for the
278.22 conduct of its affairs for a one-year term. A secretary and treasurer need not be members
278.23 of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan
278.24 Council and special meetings may be called by a majority of the members of the Metropolitan
278.25 Council or by the chair. ~~The chair and~~ In addition to any compensation as a local elected
278.26 official, each Metropolitan Council member shall be reimbursed for actual and necessary
278.27 expenses as approved by the council.

278.28 (c) Each member of the council shall attend and participate in council meetings and meet
278.29 regularly with local elected officials and legislative members from the council member's
278.30 district. Each council member shall serve on at least one division committee for
278.31 transportation, environment, or community development.

279.1 (d) In the performance of its duties the Metropolitan Council may adopt policies and
279.2 procedures governing its operation, establish committees, and, when specifically authorized
279.3 by law, make appointments to other governmental agencies and districts.

279.4 Sec. 69. Minnesota Statutes 2016, section 473.123, is amended by adding a subdivision
279.5 to read:

279.6 Subd. 9. Authority to vote; quorum; votes required for action. (a) The members
279.7 appointed by the counties and municipal committees may vote on all matters before the
279.8 council. The commissioner of transportation or the commissioner's designee and the three
279.9 members appointed by the commissioner may vote only on matters in which the council is
279.10 acting as the metropolitan planning organization for the region as provided in section
279.11 473.146.

279.12 (b) A quorum is a majority of the members permitted to vote on a matter. If a quorum
279.13 is present, the council may act on a majority vote of the members present, except:

279.14 (1) if a quorum is present, the council may adopt its levy only if at least 60 percent of
279.15 the members present vote in favor of the levy; and

279.16 (2) if a quorum is present, the council may adopt a metropolitan system plan or plan
279.17 amendment only if at least 60 percent of the members present vote in favor of its adoption.

279.18 EFFECTIVE DATE; TRANSITION; APPLICATION. This section is effective
279.19 January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
279.20 Scott, and Washington. Metropolitan Council members serving on the effective date of this
279.21 section shall continue to serve until members are appointed from districts by the municipal
279.22 committees as provided in this article.

279.23 Sec. 70. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

279.24 Subd. 3. **Development guide: transportation.** The transportation chapter must include
279.25 policies relating to all transportation forms and be designed to promote the legislative
279.26 determinations, policies, and goals set forth in section 473.371. In addition to the
279.27 requirements of subdivision 1 regarding the contents of the policy plan, the nontransit
279.28 element of the transportation chapter must include the following:

279.29 (1) a statement of the needs and problems of the metropolitan area with respect to the
279.30 functions covered, including the present and prospective demand for and constraints on
279.31 access to regional business concentrations and other major activity centers and the constraints
279.32 on and acceptable levels of development and vehicular trip generation at such centers;

- 280.1 (2) the objectives of and the policies to be forwarded by the policy plan;
- 280.2 (3) a general description of the physical facilities and services to be developed;
- 280.3 (4) a statement as to the general location of physical facilities and service areas;
- 280.4 (5) a general statement of timing and priorities in the development of those physical
- 280.5 facilities and service areas;

280.6 (6) a detailed statement, updated every two years, of timing and priorities for

280.7 improvements and expenditures needed on the metropolitan highway system;

280.8 (7) a general statement on the level of public expenditure appropriate to the facilities;

280.9 and

280.10 (8) a long-range assessment of air transportation trends and factors that may affect airport

280.11 development in the metropolitan area and policies and strategies that will ensure a

280.12 comprehensive, coordinated, and timely investigation and evaluation of alternatives for

280.13 airport development.

280.14 The council shall develop the nontransit element in consultation with ~~the transportation~~

280.15 ~~advisory board and~~ the Metropolitan Airports Commission and cities having an airport

280.16 located within or adjacent to its corporate boundaries. The council shall also take into

280.17 consideration the airport development and operations plans and activities of the commission.

280.18 The council shall transmit the results to the state Department of Transportation.

280.19 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and

280.20 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

280.21 Sec. 71. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

280.22 Subd. 4. **Transportation planning.** ~~(a)~~ The Metropolitan Council is the designated

280.23 planning agency for any long-range comprehensive transportation planning required by

280.24 section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation

280.25 Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal

280.26 transportation laws. The council shall assure administration and coordination of transportation

280.27 planning with appropriate state, regional and other agencies, counties, and municipalities.

280.28 ~~(b) The council shall establish an advisory body consisting of citizens and representatives~~

280.29 ~~of municipalities, counties, and state agencies in fulfillment of the planning responsibilities~~

280.30 ~~of the council. The membership of the advisory body must consist of:~~

280.31 ~~(1) the commissioner of transportation or the commissioner's designee;~~

- 281.1 ~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~
 281.2 ~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~
 281.3 ~~(4) one person appointed by the council to represent nonmotorized transportation;~~
 281.4 ~~(5) one person appointed by the commissioner of transportation to represent the freight~~
 281.5 ~~transportation industry;~~
 281.6 ~~(6) two persons appointed by the council to represent public transit;~~
 281.7 ~~(7) ten elected officials of cities within the metropolitan area, including one representative~~
 281.8 ~~from each first-class city, appointed by the Association of Metropolitan Municipalities;~~
 281.9 ~~(8) one member of the county board of each county in the seven-county metropolitan~~
 281.10 ~~area, appointed by the respective county boards;~~
 281.11 ~~(9) eight citizens appointed by the council, one from each council precinct;~~
 281.12 ~~(10) one elected official from a city participating in the replacement service program~~
 281.13 ~~under section 473.388, appointed by the Suburban Transit Association; and~~
 281.14 ~~(11) one member of the council, appointed by the council.~~
 281.15 ~~(e) The council shall appoint a chair from among the members of the advisory body.~~

281.16 **EFFECTIVE DATE; APPLICATION.** This section is effective January 1, 2019, and
 281.17 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

281.18 **Sec. 72. [474A.22] FORT SNELLING NATIONAL LANDMARK**
 281.19 **REDEVELOPMENT.**

281.20 **Subdivision 1. Fort Snelling bonding authority allocation.** Notwithstanding any law,
 281.21 rule, or policy to the contrary, the commissioner may reserve bonding authority allocated
 281.22 to the Housing Finance Agency entitlement allocation during allocation year 2019 or 2020
 281.23 for issuance of residential rental project bonds for purposes of the rehabilitation and
 281.24 renovation of the Fort Snelling Upper Post as a qualified residential rental project as provided
 281.25 in this section and section 474A.047. The qualified residential rental project shall be required
 281.26 to enter into a minimum 25-year agreement with the issuer to provide the applicable rental
 281.27 rates and incomes. The commissioner shall determine the needed amount of the bonding
 281.28 allocation to qualify for low-income housing tax credits for the project, as selected by the
 281.29 commissioner of natural resources, and may provide a preliminary resolution to allocate
 281.30 the bonds over one or two years to allow the applicable developer to obtain necessary
 281.31 historical and other approvals and be assured of available bond allocation.

282.1 Subd. 2. **Issuance; other issuer.** The commissioner may either issue the obligation
282.2 directly or may allocate the bonds under subdivision 1 to a suitable other issuer to issue the
282.3 obligations. Any such suballocation shall be subject to an agreement that provides for the
282.4 timing, process, and use for the bonds. Any other issuer receiving this allocation shall be
282.5 authorized to act as the issuer regardless of the geographical area of the other issuer. In no
282.6 event shall the bonds issued under this section be guaranteed as to payment by the state or
282.7 the other issuer.

282.8 Subd. 3. **Failure to permanently issue.** In the event the bonds reserved or allocated
282.9 under this section are not permanently issued by December 1, 2019, or December 1, 2020,
282.10 the bonding authority shall be allocated to the Housing Finance Agency for issuance for a
282.11 qualified residential rental project. The commissioner may utilize the bonds allocated under
282.12 this section for an alternative use, consistent with this chapter, in the event the commissioner
282.13 determines no project at the Fort Snelling Upper Post will proceed in a timely fashion.

282.14 Subd. 4. **Low-income housing tax credits.** In the event of issuance of the bonds as
282.15 provided in this section for a qualified residential rental project, notwithstanding any law,
282.16 rule, or policy, the Housing Finance Agency shall approve the project for low-income
282.17 housing tax credits subject to only the minimum requirements as required under section 42
282.18 of the Internal Revenue Code, as amended, and shall be deemed meeting the qualified
282.19 allocation plan in effect at that time. Any such approval shall be timely granted to allow the
282.20 project to proceed.

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

282.22 Sec. 73. Minnesota Statutes 2017 Supplement, section 477A.03, subdivision 2b, is amended
282.23 to read:

282.24 Subd. 2b. **Counties.** (a) For aids payable in 2018 through 2024, the total aid payable
282.25 under section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be
282.26 allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable
282.27 in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is
282.28 \$100,795,000. Each calendar year, \$500,000 of this appropriation shall be retained by the
282.29 commissioner of revenue to make reimbursements to the commissioner of management and
282.30 budget for payments made under section 611.27. The reimbursements shall be to defray the
282.31 additional costs associated with court-ordered counsel under section 611.27. Any retained
282.32 amounts not used for reimbursement in a year shall be included in the next distribution of
282.33 county need aid that is certified to the county auditors for the purpose of property tax
282.34 reduction for the next taxes payable year.

283.1 (b) For aids payable in 2018 and thereafter, the total aid under section 477A.0124,
283.2 subdivision 4, is \$130,873,444. The commissioner of revenue shall transfer to the
283.3 ~~commissioner of management and budget~~ \$207,000 annually for the cost of preparation of
283.4 local impact notes as required by section 3.987, ~~and other local government activities~~ to the
283.5 Legislative Coordinating Commission for use by the Legislative Budget Office.

283.6 The commissioner of revenue shall transfer to the commissioner of education \$7,000
283.7 annually for the cost of preparation of local impact notes for school districts as required by
283.8 section 3.987. The commissioner of revenue shall deduct the amounts transferred under this
283.9 paragraph from the appropriation under this paragraph. The amounts transferred are
283.10 appropriated to the commissioner of management and budget and the commissioner of
283.11 education respectively.

283.12 **EFFECTIVE DATE.** This section is effective January 8, 2019.

283.13 Sec. 74. Minnesota Statutes 2016, section 480.15, is amended by adding a subdivision to
283.14 read:

283.15 **Subd. 13. Emergency operations and continuity of the judicial branch.** The court
283.16 administrator shall assist the Supreme Court in developing an emergency operations and
283.17 continuity of government plan, as required by section 12.402.

283.18 Sec. 75. Laws 2017, First Special Session chapter 4, article 2, section 1, the effective date,
283.19 is amended to read:

283.20 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018.

283.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

283.22 Sec. 76. Laws 2017, First Special Session chapter 4, article 2, section 3, the effective date,
283.23 is amended to read:

283.24 **EFFECTIVE DATE.** Except where otherwise provided by law, this section is effective
283.25 ~~January 8, 2019~~ July 1, 2018.

283.26 **EFFECTIVE DATE.** This section is effective July 1, 2018.

283.27 Sec. 77. Laws 2017, First Special Session chapter 4, article 2, section 58, the effective
283.28 date, is amended to read:

283.29 **EFFECTIVE DATE.** This section is effective ~~January 8, 2019~~ July 1, 2018. The
283.30 contract required under this section must be executed no later than November 1, 2018, and

284.1 must provide for transfer of operational control of the fiscal note tracking system to the
284.2 Legislative Budget Office effective December 15, 2018.

284.3 **EFFECTIVE DATE.** This section is effective July 1, 2018.

284.4 **Sec. 78. TRANSFER OF DUTIES; RESULTS FIRST PROGRAM EVALUATIONS.**

284.5 Responsibilities of the commissioner of management and budget to develop and
284.6 implement a return on taxpayer investment methodology using the Pew-MacArthur Results
284.7 First framework, as first authorized by Laws 2015, chapter 77, article 1, section 13, including
284.8 the advisory committee established by the commissioner to assist in implementing these
284.9 responsibilities, are transferred from the commissioner to the Legislative Budget Office
284.10 established in Minnesota Statutes, section 3.8853. Minnesota Statutes, section 15.039,
284.11 applies to the transfer of these responsibilities. The commissioner of administration may,
284.12 with the approval of the governor, issue reorganization orders under Minnesota Statutes,
284.13 section 16B.37, as necessary to complete the transfer of duties required by this section.

284.14 **EFFECTIVE DATE.** This section is effective January 8, 2019.

284.15 **Sec. 79. TRANSFER OF DUTIES; DATA PRACTICES AND OPEN MEETINGS**

284.16 **LAW.**

284.17 (a) Responsibilities of the commissioner of administration under Minnesota Statutes,
284.18 sections 13.06, 13.07, 13.072, and 13.073, and any other law providing general oversight
284.19 responsibilities related to operation of the Minnesota Government Data Practices Act and
284.20 the Minnesota Open Meeting Law, are transferred from the commissioner to the chief
284.21 administrative law judge in the Office of Administrative Hearings. Minnesota Statutes,
284.22 section 15.039, applies to the transfer of these responsibilities, except that Minnesota Statutes,
284.23 section 15.039, subdivision 7, does not apply. The commissioner may, with the approval
284.24 of the governor, issue reorganization orders under Minnesota Statutes, section 16B.37, as
284.25 necessary to complete the transfer of duties consistent with the requirements of this section.

284.26 (b) Nothing in this section relieves the commissioner of administration from the duty to
284.27 comply with Minnesota Statutes, chapter 13, or any other applicable law related to data
284.28 collected, created, or maintained by the commissioner, or to comply with Minnesota Statutes,
284.29 chapter 13D, related to meetings conducted by the commissioner.

285.1 Sec. 80. ENTERPRISE SOFTWARE PROJECTS; RECODIFICATION OF
285.2 INFORMATION TECHNOLOGY STATUTES.

285.3 Subdivision 1. Enterprise software projects. (a) Except as provided in paragraph (b),
285.4 an enterprise software project must be either purchased or built through a vendor contract.
285.5 Vendors must be selected as provided by Minnesota Statutes, chapter 16C. In addition to
285.6 the requirements of that chapter, a contract required by this section must include terms that
285.7 provide:

285.8 (1) a payment schedule that is conditioned on the vendor's demonstration of satisfactory
285.9 progress toward project completion; and

285.10 (2) a requirement that, upon 30 days written notice to the vendor, the contracting agency
285.11 must terminate a contract and the vendor must refund to the agency all amounts paid to
285.12 date, if the vendor fails to demonstrate satisfactory progress towards project completion.
285.13 The contract terms must permit the contracting agency to fulfill its obligations under this
285.14 clause without penalty.

285.15 (b) Paragraph (a) does not apply to an enterprise software project if the law appropriating
285.16 money for the project expressly directs the state chief information officer to design or build
285.17 the project in-house, or otherwise contains an exemption from paragraph (a) by specific
285.18 reference to this subdivision.

285.19 Subd. 2. Recodification recommendations. (a) The state chief information officer must
285.20 recommend, in consultation with the revisor of statutes and other appropriate legislative
285.21 staff, legislation to clarify and reorganize Minnesota Statutes, chapter 16E, and any other
285.22 applicable laws that relate to state information technology services or the scope of duties
285.23 of the Office of MN.IT Services. Except for implementation of the requirements of
285.24 subdivision 1, the recommendations must not be intended to change the meaning or prior
285.25 interpretation of any law.

285.26 (b) The recommended legislation must be submitted to the chairs and ranking minority
285.27 members of the house of representatives and senate committees with jurisdiction over state
285.28 government finance no later than January 15, 2019.

285.29 EFFECTIVE DATE. This section is effective the day following final enactment. The
285.30 restrictions on enterprise software projects, as described in subdivision 1, apply to projects
285.31 newly approved for development on or after the effective date of this section.

286.1 Sec. 81. **STUDY OF VALUATION METHOD OF PIPELINE OPERATING**
286.2 **PROPERTY.**

286.3 (a) The commissioner of revenue shall study and prepare a report on the current methods
286.4 used to value pipeline operating property in the state of Minnesota. The commissioner must
286.5 enter a contract with a consultant to assist in completing the study and preparing the report.

286.6 (b) The report must:

286.7 (1) describe, in detail, prior and current methods used to value pipeline operating property
286.8 in Minnesota;

286.9 (2) evaluate whether the current methods used produce an accurate estimate of market
286.10 value;

286.11 (3) compile and explain, in detail, the number of state-assessed pipeline valuations that
286.12 have been appealed in the last 20 years, and the extent to which the market value was
286.13 increased or reduced, by agreement, settlement, or judgment;

286.14 (4) evaluate the extent to which host political subdivisions and communities are
286.15 adequately compensated under the existing Minnesota property tax system for the external
286.16 costs imposed by pipeline systems;

286.17 (5) describe, analyze, and compare the methods used to value pipeline operating property
286.18 in border states; and

286.19 (6) make recommendations and prepare legislation on improvements or alternative
286.20 valuation methods that produce a more accurate estimate of market value.

286.21 (c) The commissioner shall report the findings of the study to the committees of the
286.22 house of representatives and senate having jurisdiction over taxes by February 15, 2019,
286.23 and file the report as required by Minnesota Statutes, section 3.195.

286.24 Sec. 82. **NORDIC WORLD CUP SKI CHAMPIONSHIP.**

286.25 (a) Upon request of U.S. Ski and Snowboard, The Loppet Foundation, or other affiliated
286.26 organization, the Minnesota Amateur Sports Commission must support the preparation and
286.27 submission of a competitive bid to host an International Ski Federation Nordic World Cup
286.28 Ski Championship event in Minnesota. If the event is awarded, the commission must partner
286.29 with the organizing committee as an event host. Commission activities may include but are
286.30 not limited to assisting in the development of public-private partnerships to support the
286.31 event; soliciting sponsors; participating in public outreach activities; permitting the

287.1 commission's facilities to be developed and used as event venues; and providing other
 287.2 administrative, technical, logistical, or financial support, within available resources.

287.3 (b) Within 30 days after a bid is submitted and, if an event is awarded to Minnesota as
 287.4 a host, within 30 days after receiving notice of the award, the commission must notify the
 287.5 chairs and ranking minority members of the legislative committees with jurisdiction over
 287.6 the commission. The notification must describe the commission's work in support of the
 287.7 event and indicate whether the commission anticipates seeking supplemental state or local
 287.8 funds or other public resources to continue that work.

287.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 287.10 expires upon conclusion of a Nordic World Cup Ski Championship event hosted in
 287.11 Minnesota.

287.12 Sec. 83. **CERTAIN VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION**
 287.13 **SERVICE PENSIONS.**

287.14 (a) As used in this section, "qualifying volunteer firefighters relief association" means
 287.15 a volunteer firefighters relief association with a funding ratio of greater than 100 percent
 287.16 as of the most recent fiscal year end, and which provides a lump sum pension benefit based
 287.17 on a lump sum pension amount equal to \$9,500 or more, as of the effective date of this
 287.18 section.

287.19 (b) Notwithstanding any provision of Minnesota Statutes, section 424A.02, subdivision
 287.20 3, paragraph (d), to the contrary, the maximum lump-sum pension amount for each year of
 287.21 service credited that may be provided for in the bylaws of a qualifying volunteer firefighters
 287.22 relief association is the maximum service pension figure corresponding to the average
 287.23 amount of available financing per active covered firefighter for the applicable specified
 287.24 period:

<u>Minimum Average Amount of Available Financing</u>	<u>Maximum Lump-Sum Service</u>
<u>per Firefighter</u>	<u>Pension Amount Payable for Each</u>
	<u>Year of Service</u>
\$...	\$ 10
<u>11</u>	<u>20</u>
<u>16</u>	<u>30</u>
<u>23</u>	<u>40</u>
<u>27</u>	<u>50</u>
<u>32</u>	<u>60</u>
<u>43</u>	<u>80</u>
<u>54</u>	<u>100</u>

288.1	<u>65</u>	<u>120</u>
288.2	<u>77</u>	<u>140</u>
288.3	<u>86</u>	<u>160</u>
288.4	<u>97</u>	<u>180</u>
288.5	<u>108</u>	<u>200</u>
288.6	<u>131</u>	<u>240</u>
288.7	<u>151</u>	<u>280</u>
288.8	<u>173</u>	<u>320</u>
288.9	<u>194</u>	<u>360</u>
288.10	<u>216</u>	<u>400</u>
288.11	<u>239</u>	<u>440</u>
288.12	<u>259</u>	<u>480</u>
288.13	<u>281</u>	<u>520</u>
288.14	<u>302</u>	<u>560</u>
288.15	<u>324</u>	<u>600</u>
288.16	<u>347</u>	<u>640</u>
288.17	<u>367</u>	<u>680</u>
288.18	<u>389</u>	<u>720</u>
288.19	<u>410</u>	<u>760</u>
288.20	<u>432</u>	<u>800</u>
288.21	<u>486</u>	<u>900</u>
288.22	<u>540</u>	<u>1000</u>
288.23	<u>594</u>	<u>1100</u>
288.24	<u>648</u>	<u>1200</u>
288.25	<u>702</u>	<u>1300</u>
288.26	<u>756</u>	<u>1400</u>
288.27	<u>810</u>	<u>1500</u>
288.28	<u>864</u>	<u>1600</u>
288.29	<u>918</u>	<u>1700</u>
288.30	<u>972</u>	<u>1800</u>
288.31	<u>1026</u>	<u>1900</u>
288.32	<u>1080</u>	<u>2000</u>
288.33	<u>1134</u>	<u>2100</u>
288.34	<u>1188</u>	<u>2200</u>
288.35	<u>1242</u>	<u>2300</u>
288.36	<u>1296</u>	<u>2400</u>
288.37	<u>1350</u>	<u>2500</u>
288.38	<u>1404</u>	<u>2600</u>

289.1	<u>1458</u>	<u>2700</u>
289.2	<u>1512</u>	<u>2800</u>
289.3	<u>1566</u>	<u>2900</u>
289.4	<u>1620</u>	<u>3000</u>
289.5	<u>1672</u>	<u>3100</u>
289.6	<u>1726</u>	<u>3200</u>
289.7	<u>1753</u>	<u>3250</u>
289.8	<u>1780</u>	<u>3300</u>
289.9	<u>1820</u>	<u>3375</u>
289.10	<u>1834</u>	<u>3400</u>
289.11	<u>1888</u>	<u>3500</u>
289.12	<u>1942</u>	<u>3600</u>
289.13	<u>1996</u>	<u>3700</u>
289.14	<u>2023</u>	<u>3750</u>
289.15	<u>2050</u>	<u>3800</u>
289.16	<u>2104</u>	<u>3900</u>
289.17	<u>2158</u>	<u>4000</u>
289.18	<u>2212</u>	<u>4100</u>
289.19	<u>2265</u>	<u>4200</u>
289.20	<u>2319</u>	<u>4300</u>
289.21	<u>2373</u>	<u>4400</u>
289.22	<u>2427</u>	<u>4500</u>
289.23	<u>2481</u>	<u>4600</u>
289.24	<u>2535</u>	<u>4700</u>
289.25	<u>2589</u>	<u>4800</u>
289.26	<u>2643</u>	<u>4900</u>
289.27	<u>2697</u>	<u>5000</u>
289.28	<u>2751</u>	<u>5100</u>
289.29	<u>2805</u>	<u>5200</u>
289.30	<u>2859</u>	<u>5300</u>
289.31	<u>2913</u>	<u>5400</u>
289.32	<u>2967</u>	<u>5500</u>
289.33	<u>3021</u>	<u>5600</u>
289.34	<u>3075</u>	<u>5700</u>
289.35	<u>3129</u>	<u>5800</u>
289.36	<u>3183</u>	<u>5900</u>
289.37	<u>3237</u>	<u>6000</u>
289.38	<u>3291</u>	<u>6100</u>

290.1	<u>3345</u>	<u>6200</u>
290.2	<u>3399</u>	<u>6300</u>
290.3	<u>3453</u>	<u>6400</u>
290.4	<u>3507</u>	<u>6500</u>
290.5	<u>3561</u>	<u>6600</u>
290.6	<u>3615</u>	<u>6700</u>
290.7	<u>3669</u>	<u>6800</u>
290.8	<u>3723</u>	<u>6900</u>
290.9	<u>3777</u>	<u>7000</u>
290.10	<u>3831</u>	<u>7100</u>
290.11	<u>3885</u>	<u>7200</u>
290.12	<u>3939</u>	<u>7300</u>
290.13	<u>3993</u>	<u>7400</u>
290.14	<u>4047</u>	<u>7500</u>
290.15	<u>4101</u>	<u>7600</u>
290.16	<u>4155</u>	<u>7700</u>
290.17	<u>4209</u>	<u>7800</u>
290.18	<u>4263</u>	<u>7900</u>
290.19	<u>4317</u>	<u>8000</u>
290.20	<u>4371</u>	<u>8100</u>
290.21	<u>4425</u>	<u>8200</u>
290.22	<u>4479</u>	<u>8300</u>
290.23	<u>4533</u>	<u>8400</u>
290.24	<u>4587</u>	<u>8500</u>
290.25	<u>4641</u>	<u>8600</u>
290.26	<u>4695</u>	<u>8700</u>
290.27	<u>4749</u>	<u>8800</u>
290.28	<u>4803</u>	<u>8900</u>
290.29	<u>4857</u>	<u>9000</u>
290.30	<u>4911</u>	<u>9100</u>
290.31	<u>4965</u>	<u>9200</u>
290.32	<u>5019</u>	<u>9300</u>
290.33	<u>5073</u>	<u>9400</u>
290.34	<u>5127</u>	<u>9500</u>
290.35	<u>5181</u>	<u>9600</u>
290.36	<u>5235</u>	<u>9700</u>
290.37	<u>5289</u>	<u>9800</u>
290.38	<u>5343</u>	<u>9900</u>

291.1	<u>5397</u>	<u>10,000</u>
291.2	<u>5451</u>	<u>10,100</u>
291.3	<u>5505</u>	<u>10,200</u>
291.4	<u>5559</u>	<u>10,300</u>
291.5	<u>5613</u>	<u>10,400</u>
291.6	<u>5667</u>	<u>10,500</u>
291.7	<u>5721</u>	<u>10,600</u>
291.8	<u>5775</u>	<u>10,700</u>
291.9	<u>5729</u>	<u>10,800</u>
291.10	<u>5883</u>	<u>10,900</u>
291.11	<u>5937</u>	<u>11,000</u>
291.12	<u>5991</u>	<u>11,100</u>
291.13	<u>6045</u>	<u>11,200</u>
291.14	<u>6099</u>	<u>11,300</u>
291.15	<u>6153</u>	<u>11,400</u>
291.16	<u>6207</u>	<u>11,500</u>
291.17	<u>6261</u>	<u>11,600</u>
291.18	<u>6315</u>	<u>11,700</u>
291.19	<u>6369</u>	<u>11,800</u>
291.20	<u>6423</u>	<u>11,900</u>
291.21	<u>6477</u>	<u>12,000</u>
291.22	<u>6531</u>	<u>12,100</u>
291.23	<u>6585</u>	<u>12,200</u>
291.24	<u>6639</u>	<u>12,300</u>
291.25	<u>6693</u>	<u>12,400</u>
291.26	<u>6747</u>	<u>12,500</u>
291.27	<u>any amount in excess of 6747</u>	<u>12,500</u>

291.28 (c) The maximum monthly service pension amount per month for each year of service
 291.29 credited that may be provided for in the bylaws of the volunteer firefighters relief association
 291.30 must be set pursuant to Minnesota Statutes, section 424A.02, subdivision 3, paragraph (c).

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

291.32 Sec. 84. **VETERANS HOMES CONSTRUCTION.**

291.33 Subdivision 1. **Short title.** This section may be cited as the "People's Veterans Homes
 291.34 Act."

292.1 Subd. 2. Veterans homes established. (a) The commissioner of veterans affairs may
292.2 apply for federal funding and establish veterans homes with up to 140 beds available to
292.3 provide a continuum of care, including skilled nursing care, for eligible veterans and their
292.4 spouses in the following locations:

292.5 (1) Preston;

292.6 (2) Montevideo; and

292.7 (3) Bemidji.

292.8 (b) The state shall provide the necessary operating costs for the veterans homes in excess
292.9 of any revenue and federal funding for the homes that may be required to continue the
292.10 operation of the homes and care for Minnesota veterans.

292.11 Subd. 3. Nonstate contribution. The commissioner of administration may accept
292.12 contributions of land or money from private individuals, businesses, local governments,
292.13 veterans service organizations, and other nonstate sources for the purpose of providing
292.14 matching funding when soliciting federal funding for the development of the homes
292.15 authorized by this section.

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

292.17 **Sec. 85. REPORT ON INFORMATION TECHNOLOGY CONSOLIDATION.**

292.18 No later than January 15, 2019, the Campaign Finance and Public Disclosure Board,
292.19 the State Lottery, the Statewide Radio Board, the Minnesota State Retirement System, the
292.20 Public Employees Retirement Association, the Teachers Retirement Association, and the
292.21 State Board of Investment must each submit a report to the legislative committees with
292.22 jurisdiction over state government finance on the impacts of the information technology
292.23 services consolidation required by this act. The reports required by this section must be
292.24 developed in consultation with the state chief information officer and must detail:

292.25 (1) the expected costs to the entity to complete the consolidation;

292.26 (2) whether the state chief information officer and the entity agree that all conditions
292.27 for the certification required by this act have been met; and

292.28 (3) if all conditions for the certification have not been met, the joint work plan of the
292.29 entity and the state chief information officer to address the unresolved issues in a way that
292.30 leads to certification and, if applicable, recommendations for any additional legislation
292.31 needed to complete that work.

293.1 Sec. 86. **REVISOR'S INSTRUCTION.**

293.2 In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term
293.3 "commissioner of administration" with "chief administrative law judge" and the term
293.4 "commissioner" with "chief administrative law judge" where it is clear the text is referring
293.5 to the commissioner of administration.

293.6 Sec. 87. **REPEALERS.**

293.7 Subdivision 1. **Continuity of legislature.** Minnesota Statutes 2016, sections 3.93; 3.94;
293.8 3.95; and 3.96, are repealed, effective July 1, 2018.

293.9 Subd. 2. **Data practices transfer.** Minnesota Statutes 2016, section 13.02, subdivision
293.10 2, is repealed, effective July 1, 2018.

293.11 Subd. 3. **Attorney general contingent fees.** Minnesota Statutes 2016, section 8.10, is
293.12 repealed, effective July 1, 2018.

293.13 Subd. 4. **Hair braiding.** Minnesota Statutes 2016, section 155A.28, subdivisions 1, 3,
293.14 and 4, are repealed, effective July 1, 2018.

293.15 Subd. 5. **Legislative Budget Office.** Minnesota Statutes 2017 Supplement, section 3.98,
293.16 subdivision 4, and Laws 2017, First Special Session chapter 4, article 2, section 59, are
293.17 repealed, effective January 8, 2018.

293.18 Subd. 6. **Metropolitan Council.** Minnesota Statutes 2016, section 473.123, subdivision
293.19 3, and Laws 1994, chapter 628, article 1, section 8, are repealed, effective January 1, 2019.

293.20 **ARTICLE 15**

293.21 **ADMINISTRATIVE RULE MAKING**

293.22 Section 1. Minnesota Statutes 2016, section 14.03, subdivision 3, is amended to read:

293.23 Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02,
293.24 subdivision 4, does not include:

293.25 (1) rules concerning only the internal management of the agency or other agencies that
293.26 do not directly affect the rights of or procedures available to the public;

293.27 (2) an application deadline on a form; and the remainder of a form and instructions for
293.28 use of the form to the extent that they do not impose substantive requirements other than
293.29 requirements contained in statute or rule;

294.1 (3) the curriculum adopted by an agency to implement a statute or rule permitting or
294.2 mandating minimum educational requirements for persons regulated by an agency, provided
294.3 the topic areas to be covered by the minimum educational requirements are specified in
294.4 statute or rule;

294.5 (4) procedures for sharing data among government agencies, provided these procedures
294.6 are consistent with chapter 13 and other law governing data practices.

294.7 (b) The definition of a rule in section 14.02, subdivision 4, does not include:

294.8 (1) rules of the commissioner of corrections relating to the release, placement, term, and
294.9 supervision of inmates serving a supervised release or conditional release term, the internal
294.10 management of institutions under the commissioner's control, and rules adopted under
294.11 section 609.105 governing the inmates of those institutions;

294.12 (2) rules relating to weight limitations on the use of highways when the substance of the
294.13 rules is indicated to the public by means of signs;

294.14 (3) opinions of the attorney general;

294.15 (4) the data element dictionary and the annual data acquisition calendar of the Department
294.16 of Education to the extent provided by section 125B.07;

294.17 (5) the occupational safety and health standards provided in section 182.655;

294.18 (6) revenue notices and tax information bulletins of the commissioner of revenue;

294.19 (7) uniform conveyancing forms adopted by the commissioner of commerce under
294.20 section 507.09;

294.21 (8) standards adopted by the Electronic Real Estate Recording Commission established
294.22 under section 507.0945; ~~or~~

294.23 (9) the interpretive guidelines developed by the commissioner of human services to the
294.24 extent provided in chapter 245A; or

294.25 (10) policies established pursuant to section 14.031.

294.26 Sec. 2. [14.031] POLICY PRONOUNCEMENTS.

294.27 Subdivision 1. **Definition.** (a) As used in this section, "policy" means a public written
294.28 policy, guideline, bulletin, manual, or similar document providing an interpretation,
294.29 clarification, or explanation of a statute or rule to provide guidance for agency regulatory
294.30 functions including but not limited to permits or enforcement actions.

294.31 The definition of a policy does not include:

295.1 (1) policies concerning only the internal management of the agency or other agencies
295.2 that do not directly affect the rights of or procedures available to the public;

295.3 (2) forms and instructions for use of the form to the extent that they do not impose
295.4 substantive requirements other than requirements contained in statute or rule;

295.5 (3) curriculums adopted by an agency to implement a statute or rule permitting or
295.6 mandating minimum educational requirements for persons regulated by an agency, provided
295.7 the topic areas to be covered by the minimum educational requirements are specified in
295.8 statute or rule;

295.9 (4) procedures for sharing data among government agencies, provided these procedures
295.10 are consistent with chapter 13 and other law governing data practices; or

295.11 (5) policies concerning agency actions required to comply with treaty obligations.

295.12 (b) A policy does not have the force of law.

295.13 (c) Policies established by the agency are subject to all of the following requirements:

295.14 (1) a policy shall comply with the statutes and rules that are in existence at the time the
295.15 policy is established;

295.16 (2) a policy shall not establish any new requirement;

295.17 (3) a policy shall be established only by the commissioner of the agency; and

295.18 (4) the following statement must be printed on the first page of each policy in uppercase
295.19 letters: "Every five years the agency shall review and update each policy that is established
295.20 before the effective date of this section or that it establishes after the effective date of this
295.21 section and shall prepare written documentation certifying that the policy has been reviewed
295.22 and updated. A policy that has not been reviewed and updated pursuant to this paragraph
295.23 is void."

295.24 Subd. 2. **Notice to legislature.** By January 15 each year, each agency must submit each
295.25 policy the agency has or intends to publish under subdivision 3 in the upcoming calendar
295.26 year to the policy and funding committees and divisions with jurisdiction over the agency.
295.27 Each agency must post a link to its policies on the agency's Web site.

295.28 Subd. 3. **Public notice.** Before a policy is in effect, the agency must publish public notice
295.29 of the proposed policy and solicit public comment. The agency shall use the procedure set
295.30 forth under section 14.22 to provide public notice and meeting. The agency shall publish
295.31 the public notice on the agency's Web site. The agency must send a copy of the same notice
295.32 to the chairs and ranking minority members of the legislative policy and budget committees

296.1 with jurisdiction over the subject matter of the proposed policy. The public comment period
296.2 shall be 30 days after the date of a public meeting on the policy.

296.3 Subd. 4. **Final publication.** The agency must make all policies that conform to this
296.4 section available electronically on the agency's Web site within 60 days of the completion
296.5 of requirements in this section.

296.6 Subd. 5. **Committee action; delay action.** The agency shall not use a policy until the
296.7 legislature adjourns the annual legislative session that began the year the legislature received
296.8 notice of the policy under subdivision 2. The speaker of the house and the president of the
296.9 senate shall determine if a committee has jurisdiction over the agency before a committee
296.10 may act under this section.

296.11 Subd. 6. **Policy docket.** (a) Each agency shall maintain a policy docket with the agency's
296.12 current public rulemaking docket under section 14.366.

296.13 (b) The policy docket must contain:

296.14 (1) a listing of the precise subject matter;

296.15 (2) the name and address of agency personnel with whom persons may communicate
296.16 with respect to the matter and an indication of its present status within the agency;

296.17 (3) any known timetable for agency decisions or other action in the proceeding;

296.18 (4) the date of the public hearing on the policy;

296.19 (5) the schedule for public comments on the policy; and

296.20 (6) the date the policy became or becomes effective.

296.21 Sec. 3. Minnesota Statutes 2016, section 14.127, subdivision 4, is amended to read:

296.22 Subd. 4. **Exceptions.** (a) Subdivision 3 does not apply if the administrative law judge
296.23 approves an agency's determination that the legislature has appropriated money to sufficiently
296.24 fund the expected cost of the rule upon the business or city proposed to be regulated by the
296.25 rule.

296.26 (b) Subdivision 3 does not apply if the administrative law judge approves an agency's
296.27 determination that the rule has been proposed pursuant to a specific federal statutory or
296.28 regulatory mandate.

296.29 (c) This section does not apply if the rule is adopted under section 14.388 or under
296.30 another law specifying that the rulemaking procedures of this chapter do not apply.

296.31 (d) This section does not apply to a rule adopted by the Public Utilities Commission.

297.1 ~~(e) Subdivision 3 does not apply if the governor waives application of subdivision 3.~~
297.2 ~~The governor may issue a waiver at any time, either before or after the rule would take~~
297.3 ~~effect, but for the requirement of legislative approval. As soon as possible after issuing a~~
297.4 ~~waiver under this paragraph, the governor must send notice of the waiver to the speaker of~~
297.5 ~~the house and the president of the senate and must publish notice of this determination in~~
297.6 ~~the State Register.~~

297.7 Sec. 4. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR**
297.8 **REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

297.9 Subdivision 1. **Definition.** As used in this section, "residential construction" means the
297.10 new construction or remodeling of any building subject to the Minnesota Residential Code.

297.11 Subd. 2. **Impact on housing; agency determination.** (a) An agency must determine if
297.12 implementation of a proposed rule, or any portion of a proposed rule, will, on average,
297.13 increase the cost of residential construction or remodeling by \$1,000 or more per unit, and
297.14 whether the proposed rule meets the state regulatory policy objectives described in section
297.15 14.002. In calculating the cost of implementing a proposed rule, the agency may consider
297.16 the impact of other related proposed rules on the overall cost of residential construction. If
297.17 applicable, the agency may include offsetting savings that may be achieved through
297.18 implementation of related proposed rules in its calculation under this subdivision.

297.19 (b) The agency must make the determination required by paragraph (a) before the close
297.20 of the hearing record, or before the agency submits the record to the administrative law
297.21 judge if there is no hearing. Upon request of a party affected by the proposed rule, the
297.22 administrative law judge must review and approve or disapprove an agency's determination
297.23 under this subdivision.

297.24 Subd. 3. **Notice to legislature; legislative review.** If the agency determines that the
297.25 impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or
297.26 if the administrative law judge separately confirms the cost of any portion of a rule exceeds
297.27 the cost threshold provided in subdivision 2, the agency must notify, in writing, the chair
297.28 and ranking minority members of the policy committees of the house of representatives and
297.29 the senate with jurisdiction over the subject matter of the proposed rule within ten days of
297.30 the determination. The agency shall not adopt the proposed rule until after the adjournment
297.31 of the next annual session of the legislature convened on or after the date that notice required
297.32 in this subdivision is given to the chairs and ranking minority members.

297.33 **EFFECTIVE DATE.** This section is effective August 1, 2018, and applies to
297.34 administrative rules proposed on or after that date.

298.1 Sec. 5. Minnesota Statutes 2016, section 14.381, is amended by adding a subdivision to
298.2 read:

298.3 Subd. 4. Fees and expenses. (a) The administrative law judge shall award fees and other
298.4 expenses to the prevailing party under subdivision 1, unless special circumstances make an
298.5 award unjust.

298.6 (b) A party seeking an award of fees and other expenses shall, within 30 days of
298.7 administrative law judge's report issued in the action, submit to the administrative law judge
298.8 an application of fees and other expenses that shows that the party is a prevailing party and
298.9 is eligible to receive an award, and the amount sought, including an itemized statement from
298.10 any attorney or expert witness representing or appearing on behalf of the party stating the
298.11 actual time expended and the rate at which fees and other expenses were computed.

298.12 (c) The administrative law judge may reduce the amount to be awarded under this section,
298.13 or deny an award, to the extent that during the proceedings the prevailing party engaged in
298.14 conduct that unduly and unreasonably protracted the final resolution of the matter in
298.15 controversy. The decision of an administrative law judge under this section must be made
298.16 a part of the record containing the final decision of the agency and must include written
298.17 findings and conclusions.

298.18 (d) This section does not preclude a party from recovering costs, disbursements, fees,
298.19 and expenses under other applicable law.

298.20 Sec. 6. **REPEALER.**

298.21 Minnesota Statutes 2016, section 14.381, subdivision 3, is repealed.

298.22 Sec. 7. **EFFECTIVE DATE; APPLICATION.**

298.23 (a) This article is effective August 1, 2018, and applies to rules for which a notice of
298.24 hearing under Minnesota Statutes, section 14.14; a notice of intent to adopt under Minnesota
298.25 Statutes, section 14.22; or a dual notice under Minnesota Statutes, section 14.225, is published
298.26 in the State Register on or after that date.

298.27 (b) This article also applies to policies established on or after January 1, 2019. All policies
298.28 existing on or before the date of enactment shall be posted on the agency's public docket
298.29 on or before January 1, 2019.

ARTICLE 16

CAMPAIGN FINANCE

299.1
299.2
299.3 Section 1. Minnesota Statutes 2016, section 10A.02, subdivision 13, is amended to read:

299.4 Subd. 13. **Rules.** (a) Chapter 14 applies to the board. The board may adopt rules to carry
299.5 out the purposes of this chapter if, before June 1, 2018, the board has published a notice of
299.6 intent to adopt a rule without public hearing under section 14.22, subdivision 1, 14.389,
299.7 subdivision 2, or 14.3895, subdivision 3; a dual notice under section 14.22, subdivision 2;
299.8 or a notice of hearing on a proposed rule under section 14.14.

299.9 (b) After May 31, 2018, the board may only adopt rules that:

299.10 (1) incorporate specific changes set forth in applicable statutes when no interpretation
299.11 of law is required; or

299.12 (2) make changes to rules that do not alter the sense, meaning, or effect of a rule.

299.13 (c) In addition to the notice required under chapter 14, the board shall notify the chairs
299.14 and ranking minority members of the committees or subcommittees in the senate and house
299.15 of representatives with primary jurisdiction over elections within seven calendar days of
299.16 taking the following actions:

299.17 (1) publication of a notice of intent to adopt rules or a notice of hearing;

299.18 (2) publication of proposed rules in the State Register;

299.19 (3) issuance of a statement of need and reasonableness; or

299.20 (4) adoption of final rules.

299.21 **EFFECTIVE DATE.** This section is effective the day following final enactment for
299.22 rules for which a notice of intent to adopt a rule without public hearing under Minnesota
299.23 Statutes, section 14.22, subdivision 1, 14.389, subdivision 2, or 14.3895, subdivision 3; a
299.24 dual notice under Minnesota Statutes, section 14.22, subdivision 2; or a notice of hearing
299.25 on a proposed rule under Minnesota Statutes, section 14.14, was published before June 1,
299.26 2018.

299.27 Sec. 2. Minnesota Statutes 2016, section 10A.31, subdivision 1, is amended to read:

299.28 Subdivision 1. **Designation.** An individual resident of this state who files an income tax
299.29 return or a renter and homeowner property tax refund return with the commissioner of
299.30 revenue may designate on their original return that \$5 be paid from the general fund of the
299.31 state into the state elections campaign account. If a husband and wife file a joint return,

300.1 each spouse may designate that \$5 be paid. No individual is allowed to designate \$5 more
300.2 than once in any year. ~~The taxpayer may designate that the amount be paid into the account~~
300.3 ~~of a political party or into the general account.~~

300.4 Sec. 3. Minnesota Statutes 2016, section 10A.31, subdivision 3, is amended to read:

300.5 Subd. 3. **Form.** The commissioner of revenue must provide on the first page of the
300.6 income tax form and the renter and homeowner property tax refund return a space for the
300.7 individual to indicate a wish to pay \$5 (\$10 if filing a joint return) from the general fund of
300.8 the state to finance election campaigns. ~~The form must also contain language prepared by~~
300.9 ~~the commissioner that permits the individual to direct the state to pay the \$5 (or \$10 if filing~~
300.10 ~~a joint return) to: (1) one of the major political parties; (2) any minor political party that~~
300.11 ~~qualifies under subdivision 3a; or (3) all qualifying candidates as provided by subdivision~~
300.12 ~~7.~~ The renter and homeowner property tax refund return must include instructions that the
300.13 individual filing the return may designate \$5 on the return only if the individual has not
300.14 designated \$5 on the income tax return.

300.15 Sec. 4. Minnesota Statutes 2016, section 10A.31, subdivision 4, is amended to read:

300.16 Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections
300.17 campaign account, less three percent, ~~are appropriated from the general fund,~~ must be
300.18 transferred and credited to the ~~appropriate account in the~~ state elections campaign account,
300.19 and are annually appropriated for distribution as set forth in ~~subdivisions 5, 5a, 6, and 7~~ this
300.20 section. The remaining three percent must be kept in the general fund for administrative
300.21 costs.

300.22 (b) In addition to the amounts in paragraph (a), \$1,020,000 for each general election is
300.23 appropriated from the general fund for transfer to the general account of the state elections
300.24 campaign account.

300.25 Sec. 5. Minnesota Statutes 2016, section 10A.31, subdivision 5, is amended to read:

300.26 Subd. 5. **Allocation.** ~~(a) General account.~~ In each calendar year the money in the general
300.27 account must be allocated to candidates as follows:

- 300.28 (1) 21 percent for the offices of governor and lieutenant governor together;
- 300.29 (2) 4.2 percent for the office of attorney general;
- 300.30 (3) 2.4 percent each for the offices of secretary of state and state auditor;

301.1 (4) in each calendar year during the period in which state senators serve a four-year
301.2 term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state
301.3 representative; and

301.4 (5) in each calendar year during the period in which state senators serve a two-year term,
301.5 35 percent each for the offices of state senator and state representative.

301.6 ~~(b) Party account. In each calendar year the money in each party account must be~~
301.7 ~~allocated as follows:~~

301.8 ~~(1) 14 percent for the offices of governor and lieutenant governor together;~~

301.9 ~~(2) 2.8 percent for the office of attorney general;~~

301.10 ~~(3) 1.6 percent each for the offices of secretary of state and state auditor;~~

301.11 ~~(4) in each calendar year during the period in which state senators serve a four-year~~
301.12 ~~term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state~~
301.13 ~~representative;~~

301.14 ~~(5) in each calendar year during the period in which state senators serve a two-year term,~~
301.15 ~~35 percent each for the offices of state senator and state representative; and~~

301.16 ~~(6) ten percent or \$50,000, whichever is less, for the state committee of a political party;~~
301.17 ~~one-third of any amount in excess of that allocated to the state committee of a political party~~
301.18 ~~under this clause must be allocated to the office of state senator and two-thirds must be~~
301.19 ~~allocated to the office of state representative under clause (4).~~

301.20 ~~Money allocated to each state committee under clause (6) must be deposited in a separate~~
301.21 ~~account and must be spent for only those items enumerated in section 10A.275. Money~~
301.22 ~~allocated to a state committee under clause (6) must be paid to the committee by the board~~
301.23 ~~as it is received in the account on a monthly basis, with payment on the 15th day of the~~
301.24 ~~calendar month following the month in which the returns were processed by the Department~~
301.25 ~~of Revenue, provided that these distributions would be equal to 90 percent of the amount~~
301.26 ~~of money indicated in the Department of Revenue's weekly unedited reports of income tax~~
301.27 ~~returns and property tax refund returns processed in the month, as notified by the Department~~
301.28 ~~of Revenue to the board. The amounts paid to each state committee are subject to biennial~~
301.29 ~~adjustment and settlement at the time of each certification required of the commissioner of~~
301.30 ~~revenue under subdivisions 7 and 10. If the total amount of payments received by a state~~
301.31 ~~committee for the period reflected on a certification by the Department of Revenue is~~
301.32 ~~different from the amount that should have been received during the period according to~~
301.33 ~~the certification, each subsequent monthly payment must be increased or decreased to the~~

302.1 ~~fullest extent possible until the amount of the overpayment is recovered or the underpayment~~
302.2 ~~is distributed.~~

302.3 Sec. 6. Minnesota Statutes 2016, section 10A.31, subdivision 7, is amended to read:

302.4 Subd. 7. **Distribution of general account.** (a) As soon as the board has obtained the
302.5 results of the primary election from the secretary of state, but no later than one week after
302.6 certification of the primary results by the State Canvassing Board, the board must distribute
302.7 the available money in the ~~general~~ state elections campaign account, as certified by the
302.8 commissioner of revenue one week before the state primary and according to allocations
302.9 set forth in subdivision 5, in equal amounts to all candidates of a major political party whose
302.10 names are to appear on the ballot in the general election and who:

302.11 (1) have signed a spending limit agreement under section 10A.322;

302.12 (2) have filed the affidavit of contributions required by section 10A.323; and

302.13 (3) were opposed in either the primary election or the general election.

302.14 (b) The public subsidy paid under this subdivision may not ~~be paid in an amount that~~
302.15 ~~would cause the sum of the public subsidy paid from the party account plus the public~~
302.16 ~~subsidy paid from the general account to exceed 50 percent of the expenditure limit for the~~
302.17 candidate or 50 percent of the expenditure limit that would have applied to the candidate if
302.18 the candidate had not been freed from expenditure limits under section 10A.25, subdivision
302.19 10. Money from the ~~general~~ account not paid to a candidate because of the 50 percent limit
302.20 must be distributed equally among all other qualifying candidates for the same office until
302.21 all have reached the 50 percent limit or the balance in the ~~general~~ account is exhausted.

302.22 Sec. 7. Minnesota Statutes 2016, section 10A.31, subdivision 10, is amended to read:

302.23 Subd. 10. **December distribution.** In the event that on the date of either certification
302.24 by the commissioner of revenue as provided in subdivision ~~6 or~~ 7, less than 98 percent of
302.25 the tax returns have been processed, the commissioner of revenue must certify to the board
302.26 by December 1 the amount accumulated in ~~each~~ the account since the previous certification.
302.27 By December 15, the board must distribute to each candidate according to the ~~allocations~~
302.28 ~~in subdivisions 5 and 5a~~ allocation in subdivision 5 the amounts to which the candidates
302.29 are entitled.

303.1 Sec. 8. Minnesota Statutes 2016, section 10A.31, subdivision 10b, is amended to read:

303.2 Subd. 10b. **Remainder.** Money accumulated after the final certification must be kept
303.3 in the ~~respective accounts~~ state elections campaign account for distribution in the next
303.4 general election year.

303.5 Sec. 9. Minnesota Statutes 2016, section 10A.315, is amended to read:

303.6 **10A.315 SPECIAL ELECTION SUBSIDY.**

303.7 (a) Each eligible candidate for a legislative office in a special election must be paid a
303.8 public subsidy equal to the ~~sum of:~~

303.9 ~~(1) the party account money at the last general election for the candidate's party for the~~
303.10 ~~office the candidate is seeking; and~~

303.11 ~~(2) the general account~~ amount of state elections campaign money paid to a candidate
303.12 for the same office at the last general election.

303.13 (b) A candidate who wishes to receive this public subsidy must submit a signed agreement
303.14 under section 10A.322 to the board and must meet the contribution requirements of section
303.15 10A.323. The special election subsidy must be distributed in the same manner as money in
303.16 the ~~party and general accounts~~ state elections campaign account is distributed to legislative
303.17 candidates in a general election.

303.18 (c) The amount necessary to make the payments required by this section is appropriated
303.19 from the general fund for transfer to the state special elections campaign account for
303.20 distribution by the board as set forth in this section.

303.21 Sec. 10. Minnesota Statutes 2016, section 10A.321, subdivision 1, is amended to read:

303.22 Subdivision 1. **Calculation and certification of estimates.** The commissioner of revenue
303.23 must calculate and certify to the board one week before the first day for filing for office in
303.24 each election year an estimate of the total amount in the ~~state general account of the state~~
303.25 ~~elections campaign account~~ and the amount of money each candidate who qualifies, as
303.26 provided in section 10A.31, ~~subdivisions 6 and~~ subdivision 7, may receive from the
303.27 ~~candidate's party account in the state elections campaign~~ account. This estimate must be
303.28 based upon the allocations ~~and formulas~~ in section 10A.31, ~~subdivisions 5 and 5a, any~~
303.29 ~~necessary vote totals provided by the secretary of state to apply the formulas in section~~
303.30 ~~10A.31, subdivisions 5 and 5a, subdivision 5~~, and the amount of money expected to be
303.31 available after 100 percent of the tax returns have been processed.

304.1 Sec. 11. Minnesota Statutes 2016, section 290.06, subdivision 23, is amended to read:

304.2 Subd. 23. **Refund of contributions to political parties and candidates.** (a) A taxpayer
304.3 may claim a refund equal to the amount of the taxpayer's contributions made in the calendar
304.4 year to candidates and to a political party. The maximum refund for an individual must not
304.5 exceed \$50 and for a married couple, filing jointly, must not exceed \$100. A refund of a
304.6 contribution is allowed only if the taxpayer files a form required by the commissioner and
304.7 attaches to the form a copy of an official refund receipt form issued by the candidate or
304.8 party and signed by the candidate, the treasurer of the candidate's principal campaign
304.9 committee, or the chair or treasurer of the party unit, after the contribution was received.
304.10 The receipt forms must be numbered, and the data on the receipt that are not public must
304.11 be made available to the campaign finance and public disclosure board upon its request. A
304.12 claim must be filed with the commissioner no sooner than January 1 of the calendar year
304.13 in which the contribution was made and no later than April 15 of the calendar year following
304.14 the calendar year in which the contribution was made. A taxpayer may file only one claim
304.15 per calendar year. Amounts paid by the commissioner after June 15 of the calendar year
304.16 following the calendar year in which the contribution was made must include interest at the
304.17 rate specified in section 270C.405.

304.18 (b) No refund is allowed under this subdivision for a contribution to a candidate unless
304.19 the candidate:

304.20 (1) has signed an agreement to limit campaign expenditures as provided in section
304.21 10A.322;

304.22 (2) is seeking an office for which voluntary spending limits are specified in section
304.23 10A.25; and

304.24 (3) has designated a principal campaign committee.

304.25 This subdivision does not limit the campaign expenditures of a candidate who does not
304.26 sign an agreement but accepts a contribution for which the contributor improperly claims
304.27 a refund.

304.28 (c) For purposes of this subdivision, "political party" means a major political party as
304.29 defined in section 200.02, subdivision 7, or a minor political party ~~qualifying for inclusion~~
304.30 ~~on the income tax or property tax refund form under section 10A.31, subdivision 3a as~~
304.31 defined in section 200.02, subdivision 23.

305.1 A "major party" or "minor party" includes the aggregate of that party's organization
305.2 within each house of the legislature, the state party organization, and the party organization
305.3 within congressional districts, counties, legislative districts, municipalities, and precincts.

305.4 "Candidate" means a candidate as defined in section 10A.01, subdivision 10, except a
305.5 candidate for judicial office.

305.6 "Contribution" means a gift of money.

305.7 (d) The commissioner shall make copies of the form available to the public and candidates
305.8 upon request.

305.9 (e) The following data collected or maintained by the commissioner under this subdivision
305.10 are private: the identities of individuals claiming a refund, the identities of candidates to
305.11 whom those individuals have made contributions, and the amount of each contribution.

305.12 (f) The commissioner shall report to the campaign finance and public disclosure board
305.13 by each August 1 a summary showing the total number and aggregate amount of political
305.14 contribution refunds made on behalf of each candidate and each political party. These data
305.15 are public.

305.16 (g) The amount necessary to pay claims for the refund provided in this section is
305.17 appropriated from the general fund to the commissioner of revenue.

305.18 (h) For a taxpayer who files a claim for refund via the Internet or other electronic means,
305.19 the commissioner may accept the number on the official receipt as documentation that a
305.20 contribution was made rather than the actual receipt as required by paragraph (a).

305.21 **Sec. 12. REPEALER.**

305.22 Minnesota Statutes 2016, sections 10A.30, subdivision 2; and 10A.31, subdivisions 3a,
305.23 5a, 6, and 6a, are repealed.

305.24 **Sec. 13. EFFECTIVE DATE; APPLICABILITY.**

305.25 This article is effective the day following final enactment, and provisions impacting the
305.26 public subsidy for candidates apply to elections held on or after that date. No later than July
305.27 1, 2018, the Campaign Finance and Public Disclosure Board must notify, in writing, all
305.28 candidates who have signed an agreement applicable for the 2018 general election of the
305.29 changes enacted by this article, and provide each candidate an opportunity, at the candidate's
305.30 discretion, to sign a new agreement that reflects these changes. Agreements applicable for
305.31 the 2018 general election that were signed prior to the effective date of this section remain

306.1 valid for the sole purpose of establishing the candidate's eligibility to participate in the
306.2 political contribution refund program authorized by Minnesota Statutes, section 290.06,
306.3 subdivision 23, but are otherwise unenforceable and invalid for any other purpose.

306.4 ARTICLE 17

306.5 MINNESOTA SPORTS FACILITIES AUTHORITY

306.6 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

306.7 Subdivision 1. **Not public classification.** The following data received, created, or
306.8 maintained by or for publicly owned and operated convention facilities, civic center
306.9 authorities, or the ~~Metropolitan~~ Minnesota Sports Facilities Commission Authority are
306.10 classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on
306.11 individuals pursuant to section 13.02, subdivision 12:

306.12 (a) a letter or other documentation from any person who makes inquiry to or who is
306.13 contacted by the facility regarding the availability of the facility for staging events;

306.14 (b) identity of firms and corporations which contact the facility;

306.15 (c) type of event which they wish to stage in the facility;

306.16 (d) suggested terms of rentals; and

306.17 (e) responses of authority staff to these inquiries.

306.18 Sec. 2. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

306.19 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1
306.20 shall become public upon the occurrence of any of the following:

306.21 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into
306.22 between the facility and the inquiring party or parties or the event which was the subject of
306.23 inquiry occurs at the facility, whichever occurs earlier;

306.24 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

306.25 ~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

306.26 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts
306.27 from publicly owned and operated convention facilities, civic center authorities, or the
306.28 Minnesota Sports Facilities Authority are public data unless the data are subject to the
306.29 provisions of subdivision 1 or 4, paragraph (b).

307.1 Sec. 3. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to
307.2 read:

307.3 Subd. 11. **Prepayment of bonds.** By June 30, 2020, and every fiscal year thereafter,
307.4 the commissioner shall set aside, in a separate account in the special revenue fund, an amount
307.5 equal to the cumulative reduction in the payment for stadium operating expenses under
307.6 section 473J.13, subdivision 2, paragraph (b), over the prior fiscal year. When a sufficient
307.7 amount has accumulated in that account to make it practicable, the commissioner must
307.8 transfer those amounts to the general fund. The transferred amounts are appropriated to the
307.9 commissioner to prepay or defease bonds in a manner that preserves the tax exempt status
307.10 of the bonds.

307.11 **EFFECTIVE DATE.** This section is effective July 1, 2020, and applies to reductions
307.12 to stadium operating expense payments made in that fiscal year and thereafter.

307.13 Sec. 4. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

307.14 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the
307.15 general fund the following amounts, as required by subdivision 3, clause (3):

307.16 (1) for state bond debt service support beginning in calendar year 2021, and for each
307.17 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
307.18 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
307.19 deposited in the general fund. To determine aggregate present value, the commissioner must
307.20 consult with the commissioner of management and budget regarding the present value dates,
307.21 discount rate or rates, and schedules of annual amounts. The present value date or dates
307.22 must be based on the date or dates bonds are sold under section 16A.965, or the date or
307.23 dates other state funds, if any, are deposited into the construction fund. The discount rate
307.24 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
307.25 or an equivalent 30-year bond index, as determined by the commissioner of management
307.26 and budget. The schedule of annual amounts must be certified to the commissioner by the
307.27 commissioner of management and budget and the finance officer of the city;

307.28 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
307.29 Authority beginning in calendar year 2021, and for each calendar year thereafter through
307.30 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
307.31 this purpose in that calendar year under section 473J.13, subdivision 4;

307.32 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
307.33 beginning in calendar year 2021, and for each calendar year thereafter through calendar

308.1 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
308.2 in that calendar year under section 473J.13, subdivision 2, determined without regard to
308.3 any reduction under section 473J.13, subdivision 2, paragraph (b);

308.4 (4) for recapture of state advances for capital improvements and operating expenses for
308.5 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar
308.6 year thereafter until all amounts under this clause have been paid, proportionate amounts
308.7 periodically until an aggregate amount equal to the present value of all amounts paid by the
308.8 state have been deposited in the general fund. To determine the present value of the amounts
308.9 paid by the state to the authority and the present value of amounts deposited to the general
308.10 fund under this clause, the commissioner shall consult with the commissioner of management
308.11 and budget regarding the present value dates, discount rate or rates, and schedule of annual
308.12 amounts. The present value dates must be based on the dates state funds are paid to the
308.13 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause
308.14 to the general fund. The discount rates must be based on the reasonably equivalent cost of
308.15 state funds as determined by the commissioner of management and budget. The schedule
308.16 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision
308.17 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and
308.18 taxes deposited to the general fund from time to time under this clause, and the schedule
308.19 and revised schedules must be certified to the commissioner by the commissioner of
308.20 management and budget and the finance officer of the city, and are transferred as accrued
308.21 from the general fund for repayment of advances made by the state to the authority.
308.22 Determination of the present value amounts must be made without regard to any reduction
308.23 in the state advances resulting from a reduction in the payments under section 473J.13,
308.24 subdivision 2, paragraph (b); and

308.25 (5) to capture increases in taxes imposed under the special law, for the benefit of the
308.26 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
308.27 year thereafter through 2046, there shall be deposited to the general fund in proportionate
308.28 periodic payments in the following year, an amount equal to the following:

308.29 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
308.30 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
308.31 \$1,000,000, inflated at two percent per year since 2011, minus

308.32 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
308.33 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
308.34 \$3,000,000, inflated at two percent per year since 2011.

309.1 **EFFECTIVE DATE.** This section is effective upon compliance by the governing body
309.2 of the city of Minneapolis with Minnesota Statutes, section 645.021.

309.3 Sec. 5. Minnesota Statutes 2016, section 297E.021, subdivision 3, is amended to read:

309.4 Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals
309.5 the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from~~
309.6 ~~the taxes imposed under section 290.06, subdivision 1:~~

309.7 (1) reduced by the following amounts paid for the fiscal year under:

309.8 (i) the appropriation to principal and interest on appropriation bonds under section
309.9 16A.965, subdivision 8;

309.10 (ii) the appropriation from the general fund to make operating expense payments under
309.11 section 473J.13, subdivision 2, paragraph (b);

309.12 (iii) the appropriation for contributions to the capital reserve fund under section 473J.13,
309.13 subdivision 4, paragraph (c);

309.14 (iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and
309.15 any successor appropriation;

309.16 (v) the reduction in revenues resulting from the sales tax exemptions under section
309.17 297A.71, subdivision 43;

309.18 (vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);

309.19 (vii) the compulsive gambling appropriations under section 297E.02, subdivision 3,
309.20 paragraph (c), and any successor appropriation; and

309.21 (viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and

309.22 (2) increased by the revenue deposited in the general fund under section 297A.994,
309.23 subdivision 4, clauses (1) to (3), for the fiscal year.

309.24 **EFFECTIVE DATE.** This section is effective for fiscal years beginning after June 30,
309.25 2019.

309.26 Sec. 6. Minnesota Statutes 2016, section 297E.021, subdivision 4, is amended to read:

309.27 Subd. 4. **Appropriation; general reserve account.** (a) To the extent the commissioner
309.28 determines that revenues are available under subdivision 3 for the fiscal year, those amounts
309.29 are appropriated from the general fund for deposit in a general reserve account established
309.30 by order of the commissioner of management and budget. Appropriations under this

310.1 subdivision for each fiscal year are limited to the amounts necessary to provide a balance
310.2 in the reserve account up to the limit under paragraph (b). Amounts in this reserve are
310.3 appropriated as necessary for application against any shortfall in the amounts deposited to
310.4 the general fund under section 297A.994 or, after consultation with the Legislative
310.5 Commission on Planning and Fiscal Policy, amounts in this reserve are appropriated to the
310.6 commissioner of management and budget for ~~other~~ uses related to the stadium authorized
310.7 under section 473J.03, subdivision 8, that the commissioner deems financially prudent
310.8 ~~including but not~~₂ limited to reimbursements for ~~capital and~~ operating costs relating to the
310.9 stadium, refundings, and prepayment of debt. In no event, shall available revenues be
310.10 pledged, nor shall the appropriations of available revenues made by this section constitute
310.11 a pledge of available revenues as security for the prepayment of principal and interest on
310.12 the appropriation bonds under section 16A.965.

310.13 (b) The balance in the reserve account established by the commissioner under this
310.14 subdivision must not exceed \$26,821,000.

310.15 **EFFECTIVE DATE.** This section is effective July 1, 2019, and any amount above the
310.16 limit set in paragraph (b) on that date cancels to the general fund.

310.17 Sec. 7. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

310.18 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the
310.19 following establishments located within its jurisdiction:

310.20 (1) hotels;

310.21 (2) restaurants;

310.22 (3) bowling centers;

310.23 (4) clubs or congressionally chartered veterans organizations with the approval of the
310.24 commissioner, provided that the organization has been in existence for at least three years
310.25 and liquor sales will only be to members and bona fide guests, except that a club may permit
310.26 the general public to participate in a wine tasting conducted at the club under section
310.27 340A.419;

310.28 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
310.29 Minnesota Sports Facilities Authority; and

310.30 ~~(6) sports facilities located on land owned by the Metropolitan Sports Commission; and~~

310.31 ~~(7)~~ (6) exclusive liquor stores.

311.1 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
311.2 an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
311.3 ordinance, or charter provision. A license issued under this paragraph authorizes sales on
311.4 all days of the week to persons attending events at the theater.

311.5 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
311.6 an on-sale malt liquor license to a convention center within the city, notwithstanding any
311.7 law, local ordinance, or charter provision. A license issued under this paragraph authorizes
311.8 sales on all days of the week to persons attending events at the convention center. This
311.9 paragraph does not apply to convention centers located in the seven-county metropolitan
311.10 area.

311.11 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to a
311.12 person who is the owner of a summer collegiate league baseball team, or to a person holding
311.13 a concessions or management contract with the owner, for beverage sales at a ballpark or
311.14 stadium located within the city for the purposes of summer collegiate league baseball games
311.15 at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision.
311.16 A license issued under this paragraph authorizes sales on all days of the week to persons
311.17 attending baseball games at the ballpark or stadium.

311.18 Sec. 8. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

311.19 Subd. 2a. **Included employees.** (a) "State employee" includes:

311.20 (1) employees of the Minnesota Historical Society;

311.21 (2) employees of the State Horticultural Society;

311.22 (3) employees of the Minnesota Crop Improvement Association;

311.23 (4) employees of the adjutant general whose salaries are paid from federal funds and
311.24 who are not covered by any federal civilian employees retirement system;

311.25 (5) employees of the Minnesota State Colleges and Universities who are employed under
311.26 the university or college activities program;

311.27 (6) currently contributing employees covered by the system who are temporarily
311.28 employed by the legislature during a legislative session or any currently contributing
311.29 employee employed for any special service as defined in subdivision 2b, clause (6);

311.30 (7) employees of the legislature who are appointed without a limit on the duration of
311.31 their employment;

- 312.1 (8) trainees who are employed on a full-time established training program performing
312.2 the duties of the classified position for which they will be eligible to receive immediate
312.3 appointment at the completion of the training period;
- 312.4 (9) employees of the Minnesota Safety Council;
- 312.5 (10) any employees who are on authorized leave of absence from the Transit Operating
312.6 Division of the former Metropolitan Transit Commission and who are employed by the
312.7 labor organization which is the exclusive bargaining agent representing employees of the
312.8 Transit Operating Division;
- 312.9 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space
312.10 Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control
312.11 Commission unless excluded under subdivision 2b or are covered by another public pension
312.12 fund or plan under section 473.415, subdivision 3;
- 312.13 (12) judges of the Tax Court;
- 312.14 (13) personnel who were employed on June 30, 1992, by the University of Minnesota
312.15 in the management, operation, or maintenance of its heating plant facilities, whose
312.16 employment transfers to an employer assuming operation of the heating plant facilities, so
312.17 long as the person is employed at the University of Minnesota heating plant by that employer
312.18 or by its successor organization;
- 312.19 (14) personnel who are employed as seasonal employees in the classified or unclassified
312.20 service;
- 312.21 (15) persons who are employed by the Department of Commerce as a peace officer in
312.22 the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory
312.23 retirement age specified in section 43A.34, subdivision 4;
- 312.24 (16) employees of the University of Minnesota unless excluded under subdivision 2b,
312.25 clause (3);
- 312.26 (17) employees of the Middle Management Association whose employment began after
312.27 July 1, 2007, and to whom section 352.029 does not apply;
- 312.28 (18) employees of the Minnesota Government Engineers Council to whom section
312.29 352.029 does not apply;
- 312.30 (19) employees of the Minnesota Sports Facilities Authority;
- 312.31 (20) employees of the Minnesota Association of Professional Employees;
- 312.32 (21) employees of the Minnesota State Retirement System;

313.1 (22) employees of the State Agricultural Society;

313.2 (23) employees of the Gillette Children's Hospital Board who were employed in the
313.3 state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

313.4 (24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota,
313.5 employees of Conservation Corps Minnesota so employed on June 30, 2003.

313.6 (b) Employees specified in paragraph (a), clause (13), are included employees under
313.7 paragraph (a) if employer and employee contributions are made in a timely manner in the
313.8 amounts required by section 352.04. Employee contributions must be deducted from salary.
313.9 Employer contributions are the sole obligation of the employer assuming operation of the
313.10 University of Minnesota heating plant facilities or any successor organizations to that
313.11 employer.

313.12 Sec. 9. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

313.13 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks
313.14 and Open Space Commission, and the Metropolitan Airports Commission, ~~and Metropolitan~~
313.15 ~~Sports Facilities Commission.~~

313.16 Sec. 10. Minnesota Statutes 2016, section 473.164, is amended to read:

313.17 **473.164 SPORTS, AIRPORT COMMISSIONS COMMISSION TO PAY COUNCIL**
313.18 **COSTS.**

313.19 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission~~
313.20 ~~and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs
313.21 incurred by the council in the discharge of its responsibilities relating to the commission.
313.22 The costs may be charged against any revenue sources of the commission as determined
313.23 by the commission.

313.24 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council
313.25 shall transmit to ~~each~~ the commission an estimate of the costs which the council will incur
313.26 in the discharge of its responsibilities related to the commission in the next budget year
313.27 including, without limitation, costs in connection with the preparation, review,
313.28 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The
313.29 commission shall include the estimates in its budget for the next budget year and may
313.30 transmit its comments concerning the estimated amount to the council during the budget
313.31 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the
313.32 commission for the next budget year may be changed following approval by the council.

314.1 During each budget year, the commission shall transfer budgeted funds to the council in
314.2 advance when requested by the council.

314.3 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in
314.4 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by
314.5 the council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded
314.6 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional moneys
314.7 needed to pay the amount of the costs in excess of the amount budgeted, and shall include
314.8 a sum in its next budget. Any excess of budgeted costs over actual costs may be retained
314.9 by the council and applied to the payment of budgeted costs in the next year.

314.10 Sec. 11. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

314.11 Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall
314.12 be members of the Minnesota State Retirement System with respect to service rendered on
314.13 or after May 17, 1977, except as provided in this section.

314.14 Sec. 12. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

314.15 Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the
314.16 powers and duties of its officers, and other matters relating to the governance of the authority
314.17 and the exercise of its powers. Except as provided in this section, the bylaws adopted under
314.18 this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan
314.19 Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

314.20 Sec. 13. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

314.21 Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and~~
314.22 ~~the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of
314.23 a corporation to acquire the baseball franchise and to identify an individual private managing
314.24 owner of the corporation. The corporation formed to acquire the franchise shall have a
314.25 capital structure in compliance with all of the following provisions:

314.26 (1) there may be two classes of capital stock: common stock and preferred stock. Both
314.27 classes of stock must give holders voting rights with respect to any relocation or voluntary
314.28 contraction of the franchise;

314.29 (2) the private managing owner must own no less than 25 percent and no more than 35
314.30 percent of the common stock. For purposes of this restriction, shares of common stock
314.31 owned by the private managing owner include shares of common stock owned by any related
314.32 taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended.

315.1 Other than the rights of all other holders of common stock and preferred stock with respect
315.2 to relocation or voluntary contraction of the franchise, the private managing owner must
315.3 control all aspects of the operation of the corporation;

315.4 (3) other than the private managing owner, no individual or entity may own more than
315.5 five percent of the common stock of the corporation;

315.6 (4) at least 50 percent of the ownership of the common stock must be sold to members
315.7 of the general public in a general solicitation and a person or entity must not own more than
315.8 one percent of common stock of the corporation; and

315.9 (5) the articles of incorporation, bylaws, and other governing documents must provide
315.10 that the franchise may not move outside of the state or agree to voluntary contraction without
315.11 approval of at least 75 percent of the shares of common stock and at least 75 percent of the
315.12 shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval
315.13 requirements shall not be amended by the shareholders or by any other means.

315.14 Except as specifically provided by Laws 2006, chapter 257, no state agency may spend
315.15 money from any state fund for the purpose of generating revenue under this subdivision or
315.16 for the purpose of providing operating support or defraying operating losses of a professional
315.17 baseball franchise.

315.18 Sec. 14. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision
315.19 to read:

315.20 Subd. 13. **Stadium space.** "Stadium space" means a seat, personal seat license, suite,
315.21 club room, parking, or any other part of the stadium or license to access any part of the
315.22 stadium that a member of the general public would have to pay to use or access.

315.23 Sec. 15. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

315.24 Subd. 2. **Membership.** (a) The authority shall consist of five members.

315.25 (b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed
315.26 by the house of representatives and the senate. One member appointed by the governor shall
315.27 serve until December 31 of the third year following appointment and one member shall
315.28 serve until December 31 of the fourth year following appointment. Thereafter, members
315.29 appointed by the governor shall serve four-year terms, beginning January 1. Each member
315.30 serves until a successor is appointed and takes office unless removed by the appointing
315.31 authority for cause. Cause for removal includes violation of the employee code of ethics in
315.32 section 43A.38. ~~The chair serves at the pleasure of the governor.~~

316.1 (c) The mayor of the city shall appoint and the house of representatives and the senate
316.2 shall confirm two members to the authority. One member appointed by the mayor of the
316.3 city shall serve until December 31 of the third year following appointment and one member
316.4 shall serve until December 31 of the fourth year following appointment. Thereafter, members
316.5 appointed under this paragraph shall serve four-year terms beginning January 1. Each
316.6 member serves until a successor is appointed and takes office unless removed by the
316.7 appointing authority for cause. Cause for removal includes violation of the employee code
316.8 of ethics in section 43A.38. Members appointed under this paragraph may reside within the
316.9 city and may be appointed officials of a political subdivision.

316.10 ~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~

316.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
316.12 applies to members appointed on or after the day following final enactment.

316.13 Sec. 16. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

316.14 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
316.15 ~~chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~
316.16 ~~other law, a salary in an amount fixed by the authority, no more than half of the salary of~~
316.17 the executive director of the authority in fiscal year 2019 and shall be reimbursed for
316.18 reasonable expenses to the same extent as a member.

316.19 Sec. 17. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

316.20 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and
316.21 performs all other assigned duties and functions. The members of the authority shall
316.22 biennially elect a chair from among its members. The authority may appoint from among
316.23 its members a vice-chair to act for the chair during the temporary absence or disability of
316.24 the chair, and any other officers the authority determines are necessary or convenient.

316.25 Sec. 18. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

316.26 Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority
316.27 once each year or as often as the legislative auditor's funds and personnel permit. The
316.28 authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative
316.29 auditor may conduct examinations of the authority's finances, budgets, expenditures,
316.30 revenues, and its operation. The legislative auditor may periodically examine the authority's
316.31 use of stadium space by the authority's members, staff, family, friends, charitable
316.32 organizations, and vendors.

317.1 Sec. 19. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

317.2 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
317.3 to serve as the chief executive officer of the authority. The executive director serves at the
317.4 pleasure of the authority and receives compensation as determined by the authority not to
317.5 exceed \$135,000. The executive director may be responsible for the operation, management,
317.6 and promotion of activities of the authority, as prescribed by the authority. The executive
317.7 director has the powers necessarily incident to the performance of duties required and powers
317.8 granted by the authority, but does not have authority to incur liability or make expenditures
317.9 on behalf of the authority without general or specific directions by the authority, as shown
317.10 by the bylaws or minutes of a meeting of the authority. The executive director is responsible
317.11 for hiring, supervision, and dismissal of all other employees of the authority. The authority
317.12 must conduct an annual employee evaluation of the executive director, which must be
317.13 reviewed and approved by the entire board.

317.14 Sec. 20. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
317.15 to read:

317.16 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
317.17 to the commissioner of management and budget and to the chairs and ranking minority
317.18 members of the senate finance and house of representatives ways and means committees.

317.19 Sec. 21. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
317.20 to read:

317.21 Subd. 8b. **Contracts.** The authority may not enter a contract with a value of more than
317.22 \$5,000 unless the terms of the contract have been approved by the authority by public vote
317.23 at a regular or special meeting. The authority may not delegate or authorize the executive
317.24 director to execute contracts on behalf of the authority in a manner that conflicts with this
317.25 subdivision.

317.26 Sec. 22. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

317.27 Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing
317.28 information to the public concerning all actions taken by the authority. At a minimum, the
317.29 Web site must contain a current version of the authority's bylaws, notices of upcoming
317.30 meetings, minutes of the authority's meetings, each annual budget, each use agreement,
317.31 each management agreement, each sponsorship agreement, meeting minutes for all meetings,
317.32 policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for

318.1 public comments. This subdivision does not apply to information that is classified as not
318.2 public data, as defined in section 13.02, subdivision 8a, under other law.

318.3 Sec. 23. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
318.4 to read:

318.5 Subd. 7a. **Code of conduct and political activities.** (a) The authority shall adopt and
318.6 comply with the latest version of the state code of conduct promulgated by Minnesota
318.7 Management and Budget, and sections 43A.32 and 43A.38 apply to the authority members
318.8 and the authority's employees.

318.9 (b) For purposes of section 43A.38, subdivision 4, use of or preferential access to stadium
318.10 space by an authority member or employee constitutes an impermissible use of state property
318.11 for the employee's private interest, unless the use or terms of access are expressly permitted
318.12 by this section.

318.13 Sec. 24. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

318.14 Subd. 13. **Legislative report.** (a) The authority must report in writing to the chairs and
318.15 ranking minority members of the legislative committees with jurisdiction over state
318.16 government finance and to the senate Finance Committee and the house of representatives
318.17 Ways and Means Committee by January 15 of each year ~~on the following~~, and in person to
318.18 the Legislative Commission on Minnesota Sports Facilities at least quarterly. The reports
318.19 must describe:

318.20 (1) any recommended increases in the rate or dollar amount of tax;

318.21 (2) any recommended increases in the debt of the authority;

318.22 (3) the overall work and role of the authority;

318.23 (4) the authority's proposed operating and capital budgets; ~~and~~

318.24 (5) the authority's implementation of the operating and capital budgets, including
318.25 information on actual revenues and expenditures, events conducted, and all expected or
318.26 unexpected maintenance and capital repair needs arising since the time of the last report;

318.27 (6) a listing of all stadium amenities under the control of the authority since the time of
318.28 the last report, and how the amenities were used; and

318.29 (7) at least once each year, a detailed accounting of amounts expended for operating
318.30 expenses of the stadium for the most recently available year by functional category or object

319.1 or both, estimates of those expenses for the current and coming year, and description of any
319.2 plans for managing and improving efficiencies in the operation of the stadium.

319.3 (b) Copies of each report containing the information required by paragraph (a), clause
319.4 (5), must also be provided to the commissioner of management and budget. The authority
319.5 must also provide, at the request of the commissioner, any additional information on its
319.6 expenditures on and plans for managing and budgeting for the costs of operating the stadium,
319.7 including the reserve for capital expenditures. The commissioner must, at least once each
319.8 biennium, review the amounts expended for stadium operations and make recommendations
319.9 to the governor on the amount needed for state payment of those costs. The governor's
319.10 budget must include recommendations for the payments under section 473J.13, subdivisions
319.11 2, paragraph (b), and 4, paragraph (c), and whether modification of the statutorily
319.12 appropriated amounts is recommended or required.

319.13 Sec. 25. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
319.14 to read:

319.15 Subd. 15. **Consignment agreement; authority's suites.** (a) The authority must negotiate
319.16 an agreement providing for consignment of the authority's suites to the primary tenant
319.17 consistent with the use agreement and subject to this subdivision. The final terms of the
319.18 consignment must be approved by the chairs of the committees of the house of representatives
319.19 and the senate with jurisdiction over state government finance and must include the following:

319.20 (1) the primary tenant is the consignee and must make all commercially reasonable
319.21 efforts to sell access to the suites to third parties;

319.22 (2) the authority must receive a percentage of the revenues from consignment of the
319.23 suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent
319.24 of any amount in excess of that and the amount of revenue retained by the primary tenant
319.25 must not exceed its actual transaction, marketing, and administrative costs that it would not
319.26 have incurred but for the consignment; and

319.27 (3) the terms of the consignment agreement are effective for a period of five years
319.28 beginning no later than August 1, 2018, and must be renegotiated no later than August 1,
319.29 2023, and every five years thereafter.

319.30 (b) Data collected, created, or maintained by the authority related to negotiation of the
319.31 consignment required by this paragraph are nonpublic data, as defined in section 13.02,
319.32 subdivision 9. Data provided to the legislative chairs under the approval requirement in
319.33 paragraph (a) may not be disclosed without the consent of the primary tenant.

320.1 (c) The authority must use revenues from the consignment agreement to pay the operating
320.2 expenses of the stadium.

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

320.4 Sec. 26. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
320.5 to read:

320.6 **Subd. 16. Report on stadium space use by authority members, staff, and vendors.**

320.7 The authority shall report the following information annually to the governor, the mayor of
320.8 the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports
320.9 Facilities, and the chairs and ranking minority members of the senate Finance Committee
320.10 and the house of representatives Ways and Means Committee regarding use of stadium
320.11 space by authority members, staff, family, friends, charitable organizations, and vendors or
320.12 their guests:

320.13 (1) the costs of use;

320.14 (2) the identity of each adult attendee and their legitimate business purpose for attendance;

320.15 (3) the date, time, and a general description of the stadium event at which the suite was
320.16 used; and

320.17 (4) the value and description of any food, parking, or other benefits provided to attendees.

320.18 Sec. 27. **[473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

320.19 **Subdivision 1. Application.** The restrictions in this section apply to the use of stadium
320.20 space provided to the authority under the terms of the lease or use agreement required under
320.21 section 473J.15, subdivision 3.

320.22 **Subd. 2. Use of stadium space by authority members and staff.** (a) Authority members
320.23 and authority staff, including the executive director of the authority, may not use stadium
320.24 space unless the use is for a legitimate business purpose. For purposes of this subdivision,
320.25 "legitimate business purpose" means:

320.26 (1) in the case of a suite, the executive director's use of the suite to conduct oversight of
320.27 stadium operations; or

320.28 (2) in the case of stadium space other than a suite:

320.29 (i) participating in a marketing effort arranged by the authority's management vendor;

320.30 (ii) conducting oversight of stadium operations; or

321.1 (iii) making stadium space available to nonprofit charitable organizations to provide
321.2 access to events at the stadium for people served by the charitable organization.

321.3 The executive director of the authority must ensure that use of stadium space does not
321.4 violate open meeting laws.

321.5 (b) Use of stadium space by authority staff must be based on an express written
321.6 assignment of duties by the executive director or, in the case of use by the executive director,
321.7 an express written assignment of duties by the authority chair. In all cases, use of stadium
321.8 space by authority staff must be approved by a vote of the authority at a public meeting,
321.9 and the legitimate business purpose for use must be made a part of the public record.
321.10 Authority staff may not be provided free food, beverages, or stadium parking unless necessary
321.11 to complete the assigned duties.

321.12 Subd. 4. **Use of stadium space by family, friends, and other guests.** The authority or
321.13 its members may not grant access to stadium space to family members, friends, or other
321.14 guests of the authority's members or staff unless the use is for a legitimate business purpose.
321.15 The use must be approved by a vote of the authority at a public meeting, and the legitimate
321.16 business purpose must be made a part of the public record. For purposes of this subdivision,
321.17 "legitimate business purpose" means being a prospective user of the stadium.

321.18 Subd. 5. **Open market purchase.** This section does not prohibit an authority member,
321.19 authority staff, or family, friends, or other guests of authority members or staff from attending
321.20 events or renting stadium space, if a ticket or a right of access to the space was purchased
321.21 on the open market through the same channels, and for the same price, as those available
321.22 to the general public.

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

321.24 Sec. 28. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

321.25 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating
321.26 expenses of the stadium. The authority must require in the lease or use agreement with the
321.27 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as
321.28 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000
321.29 each year, increased by a three percent annual inflation rate.

321.30 (b)(1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,
321.31 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000
321.32 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year
321.33 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds

322.1 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall
322.2 assume this payment, using funds generated in accordance with the city of Minneapolis as
322.3 specified under section 297A.994, subdivision 4, clause (3); and

322.4 (2) beginning for fiscal year 2020, the payment under this section must be reduced by
322.5 the additional revenue received by the authority under the consignment under section 473J.09,
322.6 subdivision 15, in the prior fiscal year.

322.7 (c) The authority may establish an operating reserve to cover operating expense shortfalls
322.8 and may accept funds from any source for deposit in the operating reserve. The establishment
322.9 or funding of an authority operating reserve must not decrease the amounts required to be
322.10 paid to the authority toward operating costs under this subdivision unless agreed to by the
322.11 authority.

322.12 (d) The authority will be responsible for operating cost overruns.

322.13 (e) After the joint selection of the third-party manager or program manager, the authority
322.14 may agree with a program manager or other third-party manager of the stadium on a fixed
322.15 cost operating, management, or employment agreement with operating cost protections
322.16 under which the program manager or third-party manager assumes responsibility for stadium
322.17 operating costs and shortfalls. The agreement with the manager must require the manager
322.18 to prepare an initial and ongoing operating plan and operating budgets for approval by the
322.19 authority in consultation with the NFL team. The manager must agree to operate the stadium
322.20 in accordance with the approved operating plan and operating budget.

322.21 **EFFECTIVE DATE.** This section is effective July 1, 2018.

322.22 Sec. 29. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

322.23 Subd. 3. **Public access.** The authority will work to maximize access for public and
322.24 amateur sports, community, and civic events, and other public events in type and on terms
322.25 consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota
322.26 Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events
322.27 have exclusive use of the premises at agreed-upon times subject to the scheduling rights of
322.28 the NFL team under the lease or use agreement.

322.29 Sec. 30. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

322.30 Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers**
322.31 **conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities,
322.32 and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the

323.1 Metropolitan Sports Facilities Commission is abolished. When the remaining assets,
323.2 liabilities, and obligations of the Metropolitan Sports Facilities Commission have been
323.3 transferred to the authority and the commission has been abolished, the powers and duties
323.4 of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any
323.5 other law shall devolve upon the authority, in addition to the powers and duties of the
323.6 authority under chapter 473J, until the first NFL home game is played at the stadium.

323.7 Sec. 31. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

323.8 Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the
323.9 stadium available for use by the Minnesota State High School League for at least seven
323.10 days each year for high school soccer and football tournaments. The lessee of the stadium
323.11 must provide, and may not directly, or through a management company, charge the league
323.12 a fee for, this use, including security, ticket takers, custodial or cleaning services, or other
323.13 similar services in connection with this use.

323.14 Sec. 32. **RECOVERY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

323.15 The Minnesota Sports Facilities Authority must make every effort to recover the fair
323.16 market value of any food, parking, tickets, and access to stadium suites provided to a person
323.17 prior to January 1, 2017, if the provision of those benefits to the person was not in the public
323.18 interest. The authority shall report on recovery efforts to the commissioner of management
323.19 and budget and to the chairs and ranking minority members of the senate finance and house
323.20 of representatives ways and means committees by May 31, 2018. Money recovered under
323.21 this section is transferred by July 1, 2018, to the commissioner of management and budget
323.22 for deposit in the general reserve account established under Minnesota Statutes, section
323.23 297E.021, subdivision 4.

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

323.25 Sec. 33. **CHAIR SALARY; MINNESOTA SPORTS FACILITIES AUTHORITY.**

323.26 By February 15, 2019, the committees in the house of representatives and the senate
323.27 with jurisdiction over state government finance shall recommend legislation limiting the
323.28 salary of the chair of the Minnesota Sports Facilities Authority that shall apply beginning
323.29 in fiscal year 2020.

324.1 Sec. 34. **REPEALER.**

324.2 (a) Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553,
324.3 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5,
324.4 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572;
324.5 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

324.6 (b) Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

324.7 Sec. 35. **EFFECTIVE DATE.**

324.8 This article is effective the day following final enactment. The terms of all current
324.9 members of the Minnesota Sports Facilities Authority terminate January 31, 2019. Appointing
324.10 authorities must appoint new members of the authority by January 15, 2019, to serve terms
324.11 beginning February 1, 2019. Appointments shall be effective and the appointees may exercise
324.12 the duties of the office upon receipt of the letter of appointment by the president of the
324.13 senate and the speaker of the house.

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ARTICLE 17	MINNESOTA SPORTS FACILITIES AUTHORITY.....	Page.Ln 306.4

3.93 DEFINITIONS.

As used in sections 3.93 to 3.96 "attack" means an action or series of actions taken by an enemy of the United States resulting in substantial damage or injury to persons or property in this state through sabotage, bombs, missiles, shellfire, or atomic, radiological, chemical, bacteriological, or biological means.

3.94 PLACE OF SESSION.

Whenever, in the event of an attack, or a finding by the executive council that an attack may be imminent, the governor deems the place of the legislative session then prescribed to be unsafe, the governor may change it to any other place within or without the state which the governor deems safe and convenient.

3.95 SPECIAL SESSION IN EVENT OF ATTACK.

In the event of an attack, if the legislature is not in session, the governor shall convene a special session as soon as practicable, but within 30 days after the inception of the attack. If the governor fails to issue the call, the legislature, on the first Tuesday after the first Monday more than 30 days after the inception of the attack, shall convene without call at the place where the governor then maintains official office.

3.96 QUORUM AND VOTE REQUIREMENTS.

In the event of an attack the quorum requirement for the legislature is a majority of the members of each house who convene for the session. If the affirmative vote of a specified proportion of members of the legislature would otherwise be required to approve a bill, resolution, or for any other action, the same proportion of the members of each house convening at the session is sufficient.

3.98 FISCAL NOTES.

Subd. 4. **Uniform procedure.** The Legislative Budget Office shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

8.10 COMPENSATION OF ATTORNEYS.

The compensation of these attorneys for this service shall be 25 percent of the sums and amounts collected and received by the state, such compensation to be contingent upon collection and payment thereof to the state, with no further liability on the part of the state, and the amount of such compensation is hereby appropriated, payable upon the certificate of the attorney general filed with the commissioner of management and budget.

10A.30 STATE ELECTIONS CAMPAIGN ACCOUNT.

Subd. 2. **Separate account.** Within the state elections campaign account there must be maintained a separate political party account for the state committee and the candidates of each political party and a general account.

10A.31 DESIGNATION OF INCOME TAX PAYMENTS.

Subd. 3a. **Qualification of political parties.** (a) A major political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a major political party by July 1 of the taxable year.

(b) A minor political party qualifies for inclusion on the income tax form and property tax refund return as provided in subdivision 3 if it qualifies as a minor party statewide by July 1 of the taxable year.

(c) The secretary of state shall notify each major and minor political party by the first Monday in January of each odd-numbered year of the conditions necessary for the party to participate in income tax form and property tax refund return programs.

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(d) The secretary of state shall notify each political party, the commissioner of revenue, and the Campaign Finance and Public Disclosure Board by July 1 of each year and following certification of the results of each general election of the political parties that qualify for inclusion on the income tax form and property tax refund return as provided in subdivision 3.

Subd. 5a. **Party account for legislative candidates.** To ensure that money will be returned to the counties from which it was collected and to ensure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed as provided in this subdivision.

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account allocated to candidates for the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district, the candidate's share of the dollars designated by taxpayers who resided in that county and credited to the candidate's party account and allocated to that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in the entire county in the last general election for all candidates of that candidate's party whose names appeared on the ballot statewide and for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For a party under whose name no candidate's name appeared on the ballot statewide in the last general election, amounts in the party's account must be allocated based on (i) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (ii) the number of the people voting in the entire county in the last general election, multiplied by (iii) the amount in the candidate's party account designated by taxpayers who resided in that county and allocated to that office.

In the first general election after the legislature is redistricted, "the candidate's district" means the newly drawn district and voting data from the last general election must be applied to the area encompassing the newly drawn district, notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party is the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (1) and (2). The average vote must be added to the sums in clauses (1) and (2) before the calculation is made for all districts in the county.

Subd. 6. **Distribution of party accounts.** As soon as the board has obtained from the secretary of state the results of the primary election, but no later than one week after certification by the State Canvassing Board of the results of the primary, the board must distribute the available money in each party account, as certified by the commissioner of revenue one week before the state primary, to the candidates of that party who have signed a spending limit agreement under section 10A.322 and filed the affidavit of contributions required by section 10A.323, who were opposed in either the primary election or the general election, and whose names are to appear on the ballot in the general election, according to the allocations set forth in subdivisions 5 and 5a. The public subsidy from the party account may not be paid in an amount greater than the expenditure limit of the candidate or the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10.

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Subd. 6a. **Party account money not distributed.** Money from a party account not distributed to candidates for state senator or representative in any election year must be returned to the general fund of the state, except that the subsidy from the party account an unopposed candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under subdivision 5, paragraph (b), clause (6), and used for only those items permitted under section 10A.275. Money from a party account not distributed to candidates for other offices in an election year must be returned to the party account for reallocation to candidates as provided in subdivision 5, paragraph (b), in the following year.

13.02 DEFINITIONS.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Administration.

14.381 UNADOPTED RULES.

Subd. 3. **Costs.** The agency is liable for all Office of Administrative Hearings costs associated with review of the petition. If the administrative law judge rules in favor of the agency, the agency may recover all or a portion of the costs from the petitioner unless the petitioner is entitled to proceed in forma pauperis under section 563.01 or the administrative law judge determines that the petition was brought in good faith and that an assessment of the costs would constitute an undue hardship for the petitioner. If an agency has reason to believe it will prevail in the consideration of a petition, and that an effort to recover costs from the petitioner will be unsuccessful, it may request the chief administrative law judge to require the petitioner to provide bond or a deposit to the agency in an amount the chief administrative law judge estimates will be the cost to the Office of Administrative Hearings to review the petition.

137.50 DEFINITIONS.

Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

155A.28 HAIR BRAIDING.

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Cosmetologist Examiners in a form determined by the board.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, infection control, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Cosmetologist Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

177.24 PAYMENT OF MINIMUM WAGES.

Subd. 2. **Gratuities not applied.** No employer may directly or indirectly credit, apply, or utilize gratuities towards payment of the minimum wage set by this section or federal law.

216B.2423 WIND POWER MANDATE.

Subdivision 1. **Mandate.** A public utility, as defined in section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate: (1) 225 megawatts of electric energy installed capacity generated by wind energy conversion systems within the state by December 31, 1998; and (2) an additional 200 megawatts of installed capacity so generated by December 31, 2002.

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For the purpose of this section, "wind energy conversion system" has the meaning given it in section 216C.06, subdivision 19.

Subd. 2. **Resource planning mandate.** The Public Utilities Commission shall order a public utility subject to subdivision 1, to construct and operate, purchase, or contract to purchase an additional 400 megawatts of electric energy installed capacity generated by wind energy conversion systems by December 31, 2002, subject to resource planning and least cost planning requirements in section 216B.2422.

Subd. 2a. **Site preference.** The Public Utilities Commission shall ensure that a utility subject to the requirements of subdivision 1, clause (2), shall implement that clause with a preference for wind energy conversion systems within the state. This preference shall not prevent the utility from constructing or contracting to construct wind energy conversion systems outside the state, if the Public Utilities Commission determines that selection of a facility within the state conflicts with the requirements of section 216B.03.

Subd. 3. **Standard contract for wind energy conversion systems.** The Public Utilities Commission shall require a public utility subject to subdivision 1 to develop and file in a form acceptable to the commission by October 1, 1997, a standard form contract for the purchase of electricity from wind conversion systems with installed capacity of two megawatts and less. For purposes of applying the two megawatts limit, the installed capacity sold to the public utility from a single seller or affiliated group of sellers shall be cumulated. The standard contract shall include all the terms and conditions for purchasing wind-generated power by the utility, except for price and any other specific terms necessary to ensure system reliability and safety, which shall be separately negotiable.

471.9996 RENT CONTROL PROHIBITED.

Subd. 2. **Exception.** Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

473.123 METROPOLITAN COUNCIL.

Subd. 3. **Membership; appointment; qualifications.** (a) Sixteen members must be appointed by the governor from districts defined by this section. Each council member must reside in the council district represented. Each council district must be represented by one member of the council.

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment.

(c) The governor shall create a nominating committee, composed of seven metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Three of the committee members must be local elected officials. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.

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(d) Before making an appointment, the governor shall consult with all members of the legislature from the council district for which the member is to be appointed.

(e) Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.

(f) Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.

(g) Members of the council must be persons knowledgeable about urban and metropolitan affairs.

(h) Any vacancy in the office of a council member shall immediately be filled for the unexpired term. In filling a vacancy, the governor may forgo the requirements of paragraph (c) if the governor has made appointments in full compliance with the requirements of this subdivision within the preceding 12 months.

473.551 DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of sections 473.551 to 473.599, the following terms shall have the meanings given in this section.

Subd. 2. **Cities.** "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 4. **Metrodome debt service.** "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581.

Subd. 5. **Metropolitan sports area.** "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.

Subd. 6. **Metropolitan Sports Area Commission.** "Metropolitan Sports Area Commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities were parties on May 17, 1977.

Subd. 7. **Multipurpose sports facility.** "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. **Sports facility or sports facilities.** "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Subd. 9. **Metrodome.** "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. **Basketball and hockey arena.** "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. **Health club.** "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of Laws 1994, chapter 648, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

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Subd. 12. **Met Center.** "Met Center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. **Development agreement.** "Development agreement" means the second amended and restated development agreement among the Minneapolis Community Development Agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 14. **Ground lease.** "Ground lease" means the ground lease of the arena land between the Minneapolis Community Development Agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 15. **Guarantors.** "Guarantors" means the individuals who have guaranteed to the Minneapolis Community Development Agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. **Arena land.** "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. **Basketball and hockey arena debt service.** "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

473.552 LEGISLATIVE POLICY; PURPOSE.

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metro dome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

473.553 COMMISSION; MEMBERSHIP; ADMINISTRATION.

Subdivision 1. **General.** The Metropolitan Sports Facilities Commission is established and shall be organized, structured, and administered as provided in this section.

Subd. 2. **Membership.** The commission shall consist of six members, appointed by the city council of the city in which the stadium is located plus a chair appointed as provided in subdivision 3.

Subd. 3. **Chair.** The chair shall be appointed by the governor as the ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Subd. 4. **Qualifications.** A member shall not during a term of office hold the office of Metropolitan Council member or be a member of another metropolitan agency or hold any judicial office or office of state government. None of the members appointed by the city council of the city in which the stadium is located shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city. Each member shall qualify by taking

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and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering it, shall be filed with the chair of the Metropolitan Council.

Subd. 5. **Terms.** The terms of three members shall end the first Monday in January in the year ending in the numeral "5." The terms of the other members and the chair shall end the first Monday in January in the year ending in the numeral "7." The term of each member and the chair shall be four years. The terms shall continue until a successor is appointed and qualified. Members may be removed only for cause.

Subd. 6. **Vacancies.** A vacancy shall be filled by the appointing authority in the same manner in which the original appointment was made.

Subd. 7. **Compensation.** Each commission member shall be paid \$50 for each day when the member attends one or more meetings or provides other services, as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties. The chair of the Metropolitan Sports Facilities Commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel, and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

Subd. 8. **Regular and special meetings.** The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate. Special meetings may be held at any time upon the call of the chair or a majority of the members, upon written notice to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide. Unless otherwise provided, any action within the authority of the commission may be taken by the affirmative vote of a majority of the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 9. **Personnel code; merit system.** (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commission, except that nothing in Laws 1974, chapter 422, shall impair the rights of the commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, the commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension, or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by the commission of affirmative action plans, as provided in section 473.143. The executive director of the commission shall administer the code, and the commission shall not take any action inconsistent with the personnel code.

(b) When a commission employee has been demoted, suspended, or dismissed by the executive director, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the executive director. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the executive director, and in the case of approval the action of the executive director shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Subd. 10. **Secretary and treasurer.** At its first regular meeting each year the commission shall appoint a secretary and a treasurer or, in the alternative, a secretary-treasurer. The secretary and treasurer, or secretary-treasurer, may, but need not be, members of the commission, and shall hold office at the pleasure of the commission, subject to the terms of any contract of employment which the commission may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the commission and shall be the custodian of all books and records of the commission except such as the commission shall entrust to the custody of a designated employee. The treasurer shall be the custodian of all moneys received by the commission except such as the

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commission shall entrust to the custody of a designated employee. The commission may appoint a deputy to perform any and all functions of either the secretary or the treasurer.

Subd. 11. **Executive director.** The chair of the commission shall, subject to the approval of the commission, appoint an executive director who shall be chosen solely on the basis of training, experience, and other qualifications, and who shall serve at the pleasure of the commission. The executive director shall attend meetings of the commission, but shall not vote, and shall have the following powers and duties:

(a) See that all resolutions, rules, or orders of the commission are enforced.

(b) Appoint and remove, subject to the provisions of the personnel code adopted pursuant to subdivision 9, upon the basis of merit and fitness, all subordinate officers and regular employees of the commission.

(c) Present to the commission plans, studies, and reports prepared for commission purposes and recommend to the commission for adoption such measures as the executive director deems necessary to enforce or carry out the powers and duties of the commission, or to the efficient administration of the affairs of the commission.

(d) Keep the commission fully advised as to its financial condition, and prepare and submit to the commission its annual budget and such other financial information as it may request.

(e) Recommend to the commission for adoption such rules as the executive director deems necessary for the efficient operation of the commission's functions.

(f) Perform such other duties as may be prescribed by the commission.

Subd. 12. **Commission operating procedures.** (a) The commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safekeeping funds and audit of all financial operations of the commission.

(b) The commission and the council may enter into contracts with each other and with other commissions and governmental units for the joint exercise of powers in the manner provided by section 471.59; provided that the commission shall not enter into any contract with the council which would assign any operations authority, responsibility or function, other than planning or making studies, from the commission to the council.

Subd. 13. **Relocation payment standards.** In all acquisitions the commission shall provide as a cost of acquisition the relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1971), United States Code, title 42, section 4601, et seq.

473.556 POWERS OF COMMISSION.

Subdivision 1. **General.** The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. **Actions.** The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. **Acquisition of property.** The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area.

Subd. 4. **Exemption of property.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the

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provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. **Facility operation.** The commission may equip, improve, operate, manage, maintain, and control the Metrodome, Met Center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Subd. 6. **Disposition of property.** (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to 473.599.

(b) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. **Contracts.** The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. **Employees; contracts for services.** The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. **Gifts and grants.** The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. **Research.** The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. **Agreements with university.** The commission and the Board of Regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.599.

Subd. 12. **Use agreements.** The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation,

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or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. **Insurance.** The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. **Small business contracts.** In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16C.16 to 16C.19. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16C.19, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16C.18.

Subd. 16. **Agreements with Amateur Sports Commission.** (a) The commission and the Minnesota Amateur Sports Commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota Amateur Sports Commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota Amateur Sports Commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota Amateur Sports Commission; and

(2) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metro dome under section 473.581 have been retired.

(c) No long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.

(d) Any long-term lease, use, or other agreement entered into under paragraph (a) shall provide that the Minnesota Amateur Sports Commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota Amateur Sports Commission to allow another person or organization to use one or more of its days.

Subd. 17. **Creating a condominium.** The commission may, by itself or together with the Minneapolis Community Development Agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

473.561 EXEMPTION FROM COUNCIL REVIEW.

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.599 and shall not be affected by the provisions of sections 473.165 and 473.173.

473.564 METROPOLITAN SPORTS AREA.

Subd. 2. **Assumption of obligations.** Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

Subd. 3. **Employees.** Upon transfer of ownership all persons then employed by the metropolitan sports area commission shall be transferred to the metropolitan sports facilities commission without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The metropolitan sports facilities commission may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

473.572 REVISED FINAL DETERMINATION.

Subdivision 1. **Determinations before bonds.** The council shall make all determinations required by sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

Subd. 2. **Self-supporting effort.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the metrodome which will make the metrodome self supporting so that the taxes imposed under section 473.592 for the metrodome will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.595.

473.581 DEBT OBLIGATIONS.

Subdivision 1. **Bonds.** The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of the Metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder ; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the Metrodome and the Met Center.

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of the city of Minneapolis to levy a tax pursuant to agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. **Limitations.** The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If

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the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing Metropolitan Stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use the Metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the Metrodome. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the use of the Metrodome by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the Metrodome may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the Metrodome, to construct or remodel and to furnish the Metrodome proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of the Metrodome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of the Metrodome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

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(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of the Metrodome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the Metrodome has been accepted by the Environmental Quality Board, and the Pollution Control Agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the Metrodome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the Metrodome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the Metrodome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the Metrodome debt service.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the Metrodome where the game is to be played or at the box office closest to the Metrodome, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the Metrodome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission attributable to the Metrodome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the Metrodome until all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other Metrodome and Met Center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes

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described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. Revenue anticipation certificates. At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the Metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the Metrodome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of the Metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

473.592 TAX REVENUES.

Subdivision 1. Local sales tax. The city of Minneapolis may enter into agreements with the Metropolitan Council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.599. The tax may be imposed:

- (a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality,
- (b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality,
- (c) on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or
- (d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

The agreement or agreements between the city, the Metropolitan Council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration,

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and maintenance of the Metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of Laws 1994, chapter 648, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis Park and Recreation Board. The agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the Metropolitan Council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the Metrodome debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two-year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis Park and Recreation Board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction of the Metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. The Metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the Metrodome in accordance with this section. A basketball and hockey arena shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the Metropolitan Council and the city of Minneapolis for use by the Minneapolis Park and Recreation Board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the Metrodome shall be placed, together with the net revenues of the commission attributable to the Metrodome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the Metrodome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, and expenses of operation, administration, and maintenance of the Metrodome. The proceeds shall not be used for any capital costs of the Metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

473.595 COMMISSION FINANCES.

Subdivision 1. **Metrodome admission tax.** The commission shall by resolution impose and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the Metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing,

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selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the Metrodome is discretionary with the commission.

Subd. 1a. **Arena admission tax.** The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the Metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. **Rentals; fees; charges.** Rentals, fees, and charges provided for in use agreements at the Metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to the Met Center, the Metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. **Budget preparation; review and approval.** The commission shall prepare a proposed budget by August 1 of each year. The budget shall include operating revenues and expenditures for operation, administration, and maintenance. In addition, the budget must show for each year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; and

(c) The estimated source and use of pass-through funds.

As early as practicable before August 15 of each year, the commission shall hold a public hearing on a draft of the proposed budget. Along with the draft, the commission shall publish a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the commission's budget. Not less than 14 days before the hearing, the commission shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the commission shall publish a report of the hearing that summarizes the comments received and the commission's response. The council shall approve or disapprove the entire budget by October 1 of each year. Before December 15 of each year, the commission shall by resolution adopt a final budget. The commission shall file its final budget with the council on or before December 20 of each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.

Except in an emergency, for which procedures must be established by the commission, the commission and its officers, agents, and employees may not spend money for any purpose, other than debt service, without an appropriation by the commission, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation

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of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. After obtaining approval of the council, the commission may amend the budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose.

Subd. 4. **Payment of council costs.** The commission shall comply with the provisions of section 473.164.

Subd. 5. **Audit.** The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. **General.** The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its Metrodome debt service funds, at the times required by resolution of the council, the net revenue attributable to the Metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. **Sale of seats.** The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

473.598 ARENA ACQUISITION.

Subdivision 1. **Commission determination.** The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. **Examination and disclosure of loan terms.** Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. **Commission proposal.** (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the Metropolitan Council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the

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commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the Metropolitan Council under paragraph (a), the commission shall submit the proposal to the Department of Management and Budget for review, evaluation, and comment. Any data which is not public data under subdivision 4 shall remain not public data when given to the Department of Management and Budget.

Subd. 4. **Treatment of data.** (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 3 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 3; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. **Hockey agreement.** The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

473.599 DEBT OBLIGATIONS.

Subdivision 1. **Revenues.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. **Bonds.** The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

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(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. **Limits.** The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis Community Development Agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis Community Development Agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

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(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis Community Development Agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis Community Development Agency.

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(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis Community Development Agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis Community Development Agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis Community Development Agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis Community Development Agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of Laws 1994, chapter 648, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis Community Development Agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis Community Development Agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the purposes specified in Laws 1994, chapter 648, article 1, and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until

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all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. Revenue anticipation certificates. After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. Arena free of mortgages, liens, and obligations. With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. Reimbursement to state. The commission shall compensate the state for its contribution from the general fund under Minnesota Statutes 2008, section 240A.08, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under Minnesota Statutes 2008, section 240A.08, to that date. No reimbursement will be paid under this

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subdivision after (1) the aggregate amount of the appropriations granted under Minnesota Statutes 2008, section 240A.08, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

473.76 METROPOLITAN SPORTS FACILITIES COMMISSION.

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance to the county and authority for the development and operation of the ballpark upon such terms and conditions as the county or authority and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter. Without limiting the foregoing permissive powers, the Metropolitan Sports Facilities Commission shall transfer \$300,000 from its cash reserves to the county on or prior to January 1, 2007, for use in connection with preliminary ballpark and public infrastructure costs, which amount shall be repaid by the county from collections of the tax authorized by section 473.757, if any.

473J.09 POWERS, DUTIES OF THE AUTHORITY.

Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the Gambling Control Board shall conduct the raffle. The proceeds of the raffle must be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965.

Laws 1994, chapter 628, article 1, section 8

Sec. 8. **SALARIES OF MEMBERS.**

Until changed in law after recommendation by the compensation council as provided in Minnesota Statutes, section 15A.082, the chair of the metropolitan council shall receive a salary of \$52,500 per year, and the other members shall receive a salary of \$20,000 per year.

Laws 2017, First Special Session chapter 4, article 2, section 59

Sec. 59. **LEGISLATIVE BUDGET OFFICE TRANSITION PLANNING TASK FORCE.**

Subdivision 1. **Membership.** The Legislative Budget Office Transition Planning Task Force is established. The task force consists of the following members:

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

(2) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, one of whom must represent the majority caucus of the senate, and one of whom must represent the minority caucus of the senate;

(3) the legislative auditor;

(4) the commissioner of management and budget; and

(5) the state budget director.

The chief nonpartisan fiscal analyst of the house of representatives, the lead nonpartisan fiscal analyst of the senate, and two members from executive branch agencies, appointed by the commissioner of management and budget, shall serve as ex-officio, nonvoting members of the task force. Appointments required by this section must be made no later than July 15, 2017. The chair of the Legislative Coordinating Commission shall designate one member of the task force to serve as its chair.

Subd. 2. **Duties; report required.** (a) The task force must develop a plan for the orderly transition of fiscal note and local impact note responsibilities from Minnesota Management and Budget to the Legislative Budget Office, as required by this act. At a minimum, the plan must consider the office's responsibilities for fiscal notes and local impact notes, the duties of state agencies and departments and local governments in facilitating the office's work, and any other issues relevant to the transition of duties to the office, as determined by the task force. The plan may include recommendations for additional legislation as necessary to implement the task force's transition plan, or to further clarify or structure the office's responsibilities.

(b) The task force must submit a preliminary report no later than January 15, 2018, and a final report no later than December 1, 2018, to the chairs and ranking minority members of the house of representatives Ways and Means Committee and the senate Finance Committee. The final report must describe the task force's work, including recommendations for a transition plan and any recommendations for legislation developed under paragraph (a).

Subd. 3. **Staff.** The Legislative Coordinating Commission must provide research and administrative assistance to support the work of the task force.

Subd. 4. **Expiration.** The task force expires upon submission of its final report to the legislature under subdivision 2.