

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 4091**

(SENATE AUTHORS: PRATT and by request)

DATE	D-PG	OFFICIAL STATUS
03/17/2022	5381	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
04/05/2022	6472a	Comm report: To pass as amended and re-refer to Finance
04/19/2022	6877a	Comm report: To pass as amended
	6952	Second reading

1.1 A bill for an act

1.2 relating to state government; appropriating money for higher education, commerce,

1.3 jobs, and economic growth; making policy and technical changes; requiring reports;

1.4 appropriating money; amending Minnesota Statutes 2020, sections 3.732,

1.5 subdivision 1; 116C.779, subdivision 1; 116J.035, by adding a subdivision; 116J.55,

1.6 subdivisions 1, 5, 6; 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4;

1.7 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98,

1.8 subdivisions 2, 3; 136A.103; 136A.25; 136A.26; 136A.27; 136A.28; 136A.29,

1.9 subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a subdivision; 136A.32,

1.10 subdivision 4; 136A.33; 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41;

1.11 136A.42; 136F.02, subdivision 1; 136F.302, subdivisions 1, 2; 136F.38,

1.12 subdivisions 2, 4; 136F.67, subdivision 1; 137.022, subdivision 4; 181.032; 181.101;

1.13 216B.096, subdivision 11; 216B.24, by adding a subdivision; 216B.243, subdivision

1.14 3b; 216B.50, subdivision 1; 216C.435, subdivision 8; 216C.436, subdivision 2,

1.15 by adding a subdivision; 237.55; 268.18, by adding a subdivision; 326B.106,

1.16 subdivision 4; 326B.163, subdivision 5, by adding a subdivision; 326B.164,

1.17 subdivision 13; 326B.36, subdivision 7, by adding a subdivision; 326B.42,

1.18 subdivisions 1b, 1c; 326B.437; 326B.46, subdivision 2; 354B.20, subdivision 7;

1.19 Minnesota Statutes 2021 Supplement, sections 10A.01, subdivision 35; 116C.7792;

1.20 136F.38, subdivision 3; 216C.376, subdivision 5; 326B.153, subdivision 1; Laws

1.21 2020, chapter 118, section 5, subdivision 1; Laws 2021, First Special Session

1.22 chapter 2, article 1, sections 2, subdivisions 1, 9, 19, 20, 25, 26, 27, 33, 34, 38; 3,

1.23 subdivisions 1, 3; 4, subdivisions 1, 4; Laws 2021, First Special Session chapter

1.24 4, article 2, section 3, subdivision 1; Laws 2021, First Special Session chapter 10,

1.25 article 1, sections 2, subdivision 2; 5; article 2, section 24, subdivisions 1, 3, 4, 5,

1.26 7; article 3, section 14, subdivision 1; proposing coding for new law in Minnesota

1.27 Statutes, chapters 116L; 124D; 136A; 216B; 216H; 465; repealing Minnesota

1.28 Statutes 2020, sections 136A.29, subdivision 4; 136F.03; Laws 2005, chapter 97,

1.29 article 10, section 3, as amended; Laws 2021, First Special Session chapter 4,

1.30 article 2, section 3, subdivision 3.

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

1.32 **ARTICLE 1**

1.33 **HIGHER EDUCATION APPROPRIATIONS**

1.34 Section 1. **HIGHER EDUCATION APPROPRIATIONS.**



3.1 administration of the grant program. The base  
 3.2 for this appropriation is \$500,000 for fiscal  
 3.3 year 2024 and later.

3.4 **Subd. 4. Owatonna Learn to Earn Coalition;**  
 3.5 **Office of Higher Education**

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980,000

3.6 This appropriation is for a grant to the  
 3.7 Owatonna Learn to Earn Coalition to help the  
 3.8 Owatonna and Steele County region grow and  
 3.9 retain a talented workforce. This is a onetime  
 3.10 appropriation and is available until June 30,  
 3.11 2024. Of this amount:

3.12 (1) \$900,000 is to develop educational learning  
 3.13 spaces with state-of-the-art equipment and  
 3.14 student support services in high-demand career  
 3.15 pathway programs. Of this amount, \$306,000  
 3.16 is to equip the new Owatonna High School's  
 3.17 Industrial Technology classrooms with  
 3.18 state-of-the-art equipment to introduce  
 3.19 students to high-skill, high-wage, technical  
 3.20 careers, and \$594,000 is to equip the  
 3.21 Owatonna Riverland Community College  
 3.22 Campus with state-of-the-art instructional  
 3.23 equipment to offer credit and noncredit  
 3.24 technical programs in automation robotics  
 3.25 engineering technology and information  
 3.26 technology; and

3.27 (2) \$80,000 is to create learn to earn  
 3.28 opportunities for students and employers by  
 3.29 engaging employers in the Owatonna  
 3.30 community to offer tuition reimbursement or  
 3.31 scholarships and part-time work and school  
 3.32 schedules to employees who agree to continue  
 3.33 their education while working for them.

4.1 **Subd. 5. Owatonna Learn to Earn Coalition;**  
 4.2 **Department of Employment and Economic**  
 4.3 **Development**

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20,000

4.4 For transfer to the commissioner of  
 4.5 employment and economic development for  
 4.6 a grant to the Owatonna Learn to Earn  
 4.7 Coalition to conduct a comprehensive local  
 4.8 needs assessment to examine current and  
 4.9 future workforce needs in the region. The  
 4.10 coalition shall retain a consultant and utilize  
 4.11 state demographer resources to involve  
 4.12 education, business, and community  
 4.13 stakeholders to guide the high school's career  
 4.14 pathways, the college's programs of study, and  
 4.15 the business's support of work-based learning  
 4.16 programs that help them recruit, develop, and  
 4.17 retain a vibrant workforce to keep the regional  
 4.18 economy strong. This is a onetime  
 4.19 appropriation and is available until June 30,  
 4.20 2024.

4.21 **Sec. 3. BOARD OF REGENTS OF THE**  
 4.22 **UNIVERSITY OF MINNESOTA**

4.23 **Subdivision 1. Total Appropriation**

**\$**

**-0-** **\$**

**454,000**

4.24 The amounts that may be spent for each  
 4.25 purpose are specified in the following  
 4.26 subdivisions.

4.27 **Subd. 2. Operations and Maintenance**

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**454,000**

4.28 \$454,000 in fiscal year 2023 is to improve  
 4.29 campus safety, bolstering the technology  
 4.30 infrastructure with cameras and strategic  
 4.31 information accessibility, and provide a safe  
 4.32 campus by increasing security and full-time  
 4.33 law enforcement presence. The base for this  
 4.34 appropriation is \$2,390,000 for fiscal year  
 4.35 2024 and later.

5.1 Sec. 4. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 1, is  
5.2 amended to read:

5.3			<b><u>274,269,000</u></b>
5.4	Subdivision 1. <b>Total Appropriation</b>	<b>\$ 271,702,000</b>	<b>\$ <u>275,019,000</u></b>

5.5 The amounts that may be spent for each  
5.6 purpose are specified in the following  
5.7 subdivisions.

5.8 Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 9, is  
5.9 amended to read:

5.10	Subd. 9. <b>Intervention for College Attendance</b>		
5.11	<b>Program Grants</b>	1,143,000	1,142,000

5.12 For the intervention for college attendance  
5.13 program under Minnesota Statutes, section  
5.14 136A.861.

5.15 The commissioner may use no more than ~~three~~  
5.16 ~~percent~~ \$34,000 each year of this appropriation  
5.17 to administer the intervention for college  
5.18 attendance program grants.

5.19 Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 19, is  
5.20 amended to read:

5.21	Subd. 19. <b>Spinal Cord Injury and Traumatic</b>		
5.22	<b>Brain Injury Research Grant Program</b>	3,000,000	3,000,000

5.23 For transfer to the spinal cord and traumatic  
5.24 brain injury grant account in the special  
5.25 revenue fund under Minnesota Statutes,  
5.26 section 136A.901, subdivision 1.

5.27 The commissioner may use no more than ~~three~~  
5.28 ~~percent~~ \$90,000 each year of the amount  
5.29 transferred under this subdivision to administer  
5.30 the grant program.

6.1 Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 20, is  
6.2 amended to read:

6.3	<b>Subd. 20. Summer Academic Enrichment</b>		
6.4	<b>Program</b>	250,000	250,000

6.5 For summer academic enrichment grants under  
6.6 Minnesota Statutes, section 136A.091.

6.7 The commissioner may use no more than ~~three~~  
6.8 ~~percent~~ \$8,000 each year of this appropriation  
6.9 to administer the grant program under this  
6.10 subdivision.

6.11 Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25, is  
6.12 amended to read:

6.13	<b>Subd. 25. Grants to Student Teachers in</b>		
6.14	<b>Shortage Areas</b>	500,000	500,000

6.15 For grants to student teachers in shortage areas  
6.16 under Minnesota Statutes, section 136A.1275.

6.17 The commissioner may use no more than ~~three~~  
6.18 ~~percent~~ \$15,000 each year of the appropriation  
6.19 for administration of the program.

6.20 Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26, is  
6.21 amended to read:

6.22	<b>Subd. 26. Grants to Underrepresented Student</b>		<del>1,000,000</del>
6.23	<b>Teachers</b>	1,000,000	<u>1,250,000</u>

6.24 For grants to underrepresented student teachers  
6.25 under Minnesota Statutes, section 136A.1274.

6.26 The commissioner may use no more than ~~three~~  
6.27 ~~percent~~ \$30,000 the first year and \$38,000 the  
6.28 second year of the appropriation for  
6.29 administration of the program.

6.30 The base for this appropriation is ~~\$1,125,000~~  
6.31 \$1,250,000 in fiscal year 2024 and later.

7.1 Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27,  
7.2 is amended to read:

7.3 **Subd. 27. Teacher Shortage Loan Repayment** 200,000 200,000

7.4 For transfer to the teacher shortage loan  
7.5 repayment account in the special revenue fund  
7.6 under Minnesota Statutes, section 136A.1791,  
7.7 subdivision 8.

7.8 The commissioner may use no more than ~~three~~  
7.9 ~~percent~~ \$6,000 each year of the amount  
7.10 transferred under this subdivision to administer  
7.11 the program.

7.12 Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 33,  
7.13 is amended to read:

7.14 **Subd. 33. Minnesota Independence College and** 1,250,000 ~~1,250,000~~  
7.15 **Community** 1,250,000 1,750,000

7.16 For a grant to Minnesota Independence  
7.17 College and Community for need-based  
7.18 scholarships and tuition reduction. Beginning  
7.19 with students first enrolled in the fall of 2019,  
7.20 eligibility is limited to resident students as  
7.21 defined in Minnesota Statutes, section  
7.22 136A.101, subdivision 8.

7.23 The base for this appropriation is ~~\$1,000,000~~  
7.24 \$1,207,000 in fiscal year 2024 and later.

7.25 Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 34,  
7.26 is amended to read:

7.27 **Subd. 34. Student Loan Debt Counseling** 200,000 200,000

7.28 For student loan debt counseling under  
7.29 Minnesota Statutes, section 136A.1788.

7.30 The Office of Higher Education may use no  
7.31 more than ~~three percent~~ \$6,000 each year of

8.1 the appropriation to administer the student  
8.2 loan debt counseling program.

8.3 Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 38,  
8.4 is amended to read:

8.5 **Subd. 38. Aspiring Teachers of Color**  
8.6 **Scholarship Pilot Program**

1,500,000

1,500,000

8.7 (a) This appropriation is for the aspiring  
8.8 teachers of color scholarship pilot program  
8.9 under article 2, section 45.

8.10 (b) The commissioner of the Office of Higher  
8.11 Education may use no more than ~~three percent~~  
8.12 \$45,000 each year of the appropriation to  
8.13 administer the aspiring teachers of color  
8.14 scholarship program.

8.15 (c) This is a onetime appropriation. The base  
8.16 for this appropriation is \$0 in fiscal year 2024  
8.17 and later. Notwithstanding Minnesota Statutes,  
8.18 section 16A.28, unencumbered balances under  
8.19 this subdivision do not cancel until July 1,  
8.20 2025.

8.21 Sec. 14. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 1, is  
8.22 amended to read:

8.23 **Subdivision 1. Total Appropriation** **\$ 791,992,000** **\$ 789,491,000**  
8.24 **\$ 800,140,000**

8.25 The amounts that may be spent for each  
8.26 purpose are specified in the following  
8.27 subdivisions.

8.28 Sec. 15. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 3, is  
8.29 amended to read:

8.30 **Subd. 3. Operations and Maintenance** **753,795,000** **751,295,000**  
8.31 **761,944,000**



- 9.1 (a) The Board of Trustees must establish  
9.2 tuition rates as follows:
- 9.3 (1) for the 2021-2022 and 2022-2023  
9.4 academic years, tuition rates for undergraduate  
9.5 students at colleges and universities must not  
9.6 be increased by more than 3.5 percent as  
9.7 compared to the previous academic year,  
9.8 except that a university may change base  
9.9 tuition to adjust for the reduction of online  
9.10 differential charges provided the change is  
9.11 revenue-neutral; and
- 9.12 (2) the student tuition relief may not be offset  
9.13 by increases in mandatory fees, charges, or  
9.14 other assessments to the student. Colleges and  
9.15 universities are permitted to increase  
9.16 differential tuition charges in fiscal years 2022  
9.17 and 2023 where costs for course or program  
9.18 delivery have increased due to extraordinary  
9.19 circumstances beyond the control of the  
9.20 college or university. Rates and rationale must  
9.21 be approved by the Board of Trustees.
- 9.22 (b) The Board of Trustees must request  
9.23 guidance from the United States Department  
9.24 of Education regarding whether it is  
9.25 permissible to allocate federal funds received  
9.26 under section 314 of the Consolidated  
9.27 Appropriations Act, 2021, as provided by  
9.28 Public Law 116-260, and section 2003 of the  
9.29 American Rescue Plan Act, as provided by  
9.30 Public Law 117-2, to provide a tuition credit  
9.31 for enrolled students or refund for students  
9.32 who are no longer enrolled in an amount equal  
9.33 to the amount of the online differential tuition  
9.34 rate charged to students for courses moved  
9.35 online due to the coronavirus pandemic during

10.1 the 2020-2021 academic year that were not  
10.2 offered as online courses during the previous  
10.3 academic year. If the department advises that  
10.4 this is a permissible use of the federal funds,  
10.5 institutions must issue such tuition credits to  
10.6 enrolled students and must inform students  
10.7 who are no longer enrolled in the institution  
10.8 of their eligibility for a refund. In order to  
10.9 receive a refund, the student must apply for  
10.10 the refund.

10.11 (c) \$5,700,000 in fiscal year 2022 and  
10.12 \$5,700,000 in fiscal year 2023 are to provide  
10.13 supplemental aid for operations and  
10.14 maintenance to the president of each two-year  
10.15 institution in the system with at least one  
10.16 campus that is not located in a metropolitan  
10.17 county, as defined in Minnesota Statutes,  
10.18 section 473.121, subdivision 4. The board  
10.19 shall transfer at least \$158,000 for each  
10.20 campus not located in a metropolitan county  
10.21 in each year to the president of each institution  
10.22 that includes such a campus.

10.23 (d) The Board of Trustees is requested to help  
10.24 Minnesota close the attainment gap by funding  
10.25 activities which improve retention and  
10.26 completion for students of color.

10.27 (e) \$4,500,000 in fiscal year 2022 and  
10.28 ~~\$4,500,000~~ \$14,500,000 in fiscal year 2023  
10.29 are for workforce development scholarships  
10.30 under Minnesota Statutes, section 136F.38.  
10.31 Of this appropriation, up to \$200,000 is  
10.32 available in each year to administer the  
10.33 program. Of this amount, \$7,500,000 in the  
10.34 second year and later must be used for  
10.35 scholarships to students enrolled in a law

11.1 enforcement program of study. If there is a  
11.2 balance of unobligated funds to law  
11.3 enforcement students by February 15 of each  
11.4 year, the board may reallocate the balance to  
11.5 other purposes under this paragraph. The base  
11.6 for this appropriation is \$9,500,000 for fiscal  
11.7 year 2024 and later.

11.8 (f) \$300,000 in fiscal year 2022 and \$300,000  
11.9 in fiscal year 2023 are for transfer to the Cook  
11.10 County Higher Education Board to provide  
11.11 educational programming, workforce  
11.12 development, and academic support services  
11.13 to remote regions in northeastern Minnesota.  
11.14 The Cook County Higher Education Board  
11.15 shall continue to provide information to the  
11.16 Board of Trustees on the number of students  
11.17 served, credit hours delivered, and services  
11.18 provided to students.

11.19 (g) This appropriation includes \$40,000 in  
11.20 fiscal year 2022 and \$40,000 in fiscal year  
11.21 2023 to implement the sexual assault policies  
11.22 required under Minnesota Statutes, section  
11.23 135A.15.

11.24 (h) This appropriation includes \$8,000,000 in  
11.25 fiscal year 2022 and \$8,000,000 in fiscal year  
11.26 2023 for upgrading the Integrated Statewide  
11.27 Record System.

11.28 (i) This appropriation includes \$250,000 in  
11.29 fiscal year 2022 and \$250,000 in fiscal year  
11.30 2023 to implement the Z-Degree program  
11.31 under Minnesota Statutes, section 136F.305.  
11.32 The base for this appropriation is \$50,000 in  
11.33 fiscal year 2024 and later.

12.1 (j) \$1,500,000 in fiscal year 2022 is for the  
12.2 mental health awareness program for students  
12.3 required under Minnesota Statutes, section  
12.4 136F.20, subdivision 4. Of this amount:  
12.5 \$500,000 must be used for training  
12.6 opportunities under Minnesota Statutes,  
12.7 section 136F.20, subdivision 4, paragraph (a),  
12.8 clause (2); and \$200,000 must be used for  
12.9 grants to colleges and universities to establish  
12.10 peer support pilot programs in Minnesota  
12.11 Statutes, section 136F.20, subdivision 4,  
12.12 paragraph (c). The Board of Trustees shall  
12.13 convene a committee that includes students to  
12.14 review and approve grant applications.  
12.15 Notwithstanding Minnesota Statutes, section  
12.16 16A.28, unencumbered balances under this  
12.17 paragraph do not cancel until July 1, 2025.

12.18 (k) \$1,000,000 in fiscal year 2022 is for  
12.19 colleges and universities to comply with the  
12.20 student basic needs requirements under  
12.21 Minnesota Statutes, section 136F.202. The  
12.22 Board of Trustees must use at least 25 percent  
12.23 of this appropriation for grants to colleges and  
12.24 universities to comply with Minnesota  
12.25 Statutes, section 136F.202, subdivision 1,  
12.26 paragraph (a). The board must use a  
12.27 consultation and committee process that  
12.28 includes students to review and approve grant  
12.29 applications. Notwithstanding Minnesota  
12.30 Statutes, section 16A.28, unencumbered  
12.31 balances under this paragraph do not cancel  
12.32 until July 1, 2025.

12.33 (l) The total operations and maintenance base  
12.34 for fiscal year 2024 and later is ~~\$751,095,000~~  
12.35 \$756,095,000.

13.1 Sec. 16. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 1, is  
 13.2 amended to read:

13.3					<b><u>692,813,000</u></b>
13.4	<b>Subdivision 1. Total Appropriation</b>		<b>\$</b>	<b>692,813,000</b>	<b>\$</b> <b><u>694,813,000</u></b>

13.5 Appropriations by Fund

13.6		2022	2023
13.7			<del>690,656,000</del>
13.8	General	690,656,000	<u>692,656,000</u>
13.9	Health Care Access	2,157,000	2,157,000

13.10 The amounts that may be spent for each  
 13.11 purpose are specified in the following  
 13.12 subdivisions.

13.13 Sec. 17. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 4, is  
 13.14 amended to read:

13.15 **Subd. 4. Special Appropriations**

13.16	<b>(a) Agriculture and Extension Service</b>	42,922,000	42,922,000
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13.17 For the Agricultural Experiment Station and  
 13.18 the Minnesota Extension Service:

13.19 (1) the agricultural experiment stations and  
 13.20 Minnesota Extension Service must convene  
 13.21 agricultural advisory groups to focus research,  
 13.22 education, and extension activities on producer  
 13.23 needs and implement an outreach strategy that  
 13.24 more effectively and rapidly transfers research  
 13.25 results and best practices to producers  
 13.26 throughout the state;

13.27 (2) this appropriation includes funding for  
 13.28 research and outreach on the production of  
 13.29 renewable energy from Minnesota biomass  
 13.30 resources, including agronomic crops, plant  
 13.31 and animal wastes, and native plants or trees.

13.32 The following areas should be prioritized and  
 13.33 carried out in consultation with Minnesota

- 14.1 producers, renewable energy, and bioenergy  
14.2 organizations:
- 14.3 (i) biofuel and other energy production from  
14.4 perennial crops, small grains, row crops, and  
14.5 forestry products in conjunction with the  
14.6 Natural Resources Research Institute (NRRI);
- 14.7 (ii) alternative bioenergy crops and cropping  
14.8 systems; and
- 14.9 (iii) biofuel coproducts used for livestock feed;
- 14.10 (3) this appropriation includes funding for the  
14.11 College of Food, Agricultural, and Natural  
14.12 Resources Sciences to establish and provide  
14.13 leadership for organic agronomic,  
14.14 horticultural, livestock, and food systems  
14.15 research, education, and outreach and for the  
14.16 purchase of state-of-the-art laboratory,  
14.17 planting, tilling, harvesting, and processing  
14.18 equipment necessary for this project;
- 14.19 (4) this appropriation includes funding for  
14.20 research efforts that demonstrate a renewed  
14.21 emphasis on the needs of the state's agriculture  
14.22 community. The following areas should be  
14.23 prioritized and carried out in consultation with  
14.24 Minnesota farm organizations:
- 14.25 (i) vegetable crop research with priority for  
14.26 extending the Minnesota vegetable growing  
14.27 season;
- 14.28 (ii) fertilizer and soil fertility research and  
14.29 development;
- 14.30 (iii) soil, groundwater, and surface water  
14.31 conservation practices and contaminant  
14.32 reduction research;

- 15.1 (iv) discovering and developing plant varieties  
 15.2 that use nutrients more efficiently;
- 15.3 (v) breeding and development of turf seed and  
 15.4 other biomass resources in all three Minnesota  
 15.5 biomes;
- 15.6 (vi) development of new disease-resistant and  
 15.7 pest-resistant varieties of turf and agronomic  
 15.8 crops;
- 15.9 (vii) utilizing plant and livestock cells to treat  
 15.10 and cure human diseases;
- 15.11 (viii) the development of dairy coproducts;
- 15.12 (ix) a rapid agricultural response fund for  
 15.13 current or emerging animal, plant, and insect  
 15.14 problems affecting production or food safety;
- 15.15 (x) crop pest and animal disease research;
- 15.16 (xi) developing animal agriculture that is  
 15.17 capable of sustainably feeding the world;
- 15.18 (xii) consumer food safety education and  
 15.19 outreach;
- 15.20 (xiii) programs to meet the research and  
 15.21 outreach needs of organic livestock and crop  
 15.22 farmers; and
- 15.23 (xiv) alternative bioenergy crops and cropping  
 15.24 systems; and growing, harvesting, and  
 15.25 transporting biomass plant material; and
- 15.26 (5) by February 1, 2023, the Board of Regents  
 15.27 must submit a report to the legislative  
 15.28 committees and divisions with jurisdiction  
 15.29 over agriculture and higher education finance  
 15.30 on the status and outcomes of research and  
 15.31 initiatives funded in this paragraph.

15.32 (b) **Health Sciences**

9,204,000

9,204,000

- 16.1 \$346,000 each year is to support up to 12  
 16.2 resident physicians in the St. Cloud Hospital  
 16.3 family practice residency program. The  
 16.4 program must prepare doctors to practice  
 16.5 primary care medicine in rural areas of the  
 16.6 state. The legislature intends this program to  
 16.7 improve health care in rural communities,  
 16.8 provide affordable access to appropriate  
 16.9 medical care, and manage the treatment of  
 16.10 patients in a more cost-effective manner. The  
 16.11 remainder of this appropriation is for the rural  
 16.12 physicians associates program; the Veterinary  
 16.13 Diagnostic Laboratory; health sciences  
 16.14 research; dental care; the Biomedical  
 16.15 Engineering Center; and the collaborative  
 16.16 partnership between the University of  
 16.17 Minnesota and Mayo Clinic for regenerative  
 16.18 medicine, research, clinical translation, and  
 16.19 commercialization.
- |       |  |           |                  |
|-------|--|-----------|------------------|
| 16.20 | <b>(c) College of Science and Engineering</b>              | 1,140,000 | 1,140,000        |
| 16.21 | For the geological survey and the talented                 |           |                  |
| 16.22 | youth mathematics program.                                 |           |                  |
| 16.23 |  |           | <u>7,431,000</u> |
| 16.24 | <b>(d) System Special</b>                                  | 7,431,000 | <u>9,431,000</u> |
| 16.25 | For general research, the Labor Education                  |           |                  |
| 16.26 | Service, Natural Resources Research Institute,             |           |                  |
| 16.27 | Center for Urban and Regional Affairs, Bell                |           |                  |
| 16.28 | Museum of Natural History, and the                         |           |                  |
| 16.29 | Humphrey exhibit.  |           |                  |
| 16.30 | \$2,250,000 in fiscal year 2022 and <del>\$2,250,000</del> |           |                  |
| 16.31 | <u>\$4,250,000</u> in fiscal year 2023 are for the         |           |                  |
| 16.32 | Natural Resources Research Institute to invest             |           |                  |
| 16.33 | in applied research for economic development.              |           |                  |
| 16.34 | The base for this appropriation is \$7,181,000             |           |                  |
| 16.35 | in fiscal year 2024 and later and, of this                 |           |                  |



17.1 amount, \$2,000,000 per fiscal year is for the  
 17.2 Natural Resources Research Institute to invest  
 17.3 in applied research for economic development.

17.4 **(e) University of Minnesota and Mayo**  
 17.5 **Foundation Partnership**

7,991,000

7,991,000

17.6 This appropriation is for the following  
 17.7 activities:

17.8 (1) \$7,491,000 in fiscal year 2022 and  
 17.9 \$7,491,000 in fiscal year 2023 are for the  
 17.10 direct and indirect expenses of the  
 17.11 collaborative research partnership between the  
 17.12 University of Minnesota and the Mayo  
 17.13 Foundation for research in biotechnology and  
 17.14 medical genomics. An annual report on the  
 17.15 expenditure of these funds must be submitted  
 17.16 to the governor and the chairs of the legislative  
 17.17 committees responsible for higher education  
 17.18 finance by June 30 of each fiscal year.

17.19 (2) \$500,000 in fiscal year 2022 and \$500,000  
 17.20 in fiscal year 2023 are to award competitive  
 17.21 grants to conduct research into the prevention,  
 17.22 treatment, causes, and cures of Alzheimer's  
 17.23 disease and other dementias.

17.24 **Sec. 18. EDUCATION APPROPRIATIONS.**

17.25 **Subdivision 1. Department of Education.** The sum indicated in this section is  
 17.26 appropriated from the general fund to the Department of Education for the fiscal year  
 17.27 designated. This sum is in addition to appropriations made for the same purpose in any other  
 17.28 law.

17.29 **Subd. 2. General education aid.** For general education aid under Minnesota Statutes,  
 17.30 section 126C.13, subdivision 4:

17.31 §           24,000   ..... 2023

17.32 The 2023 appropriation includes \$0 for 2022 and \$24,000 for 2023.

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

## ARTICLE 2

## HIGHER EDUCATION PROVISIONS

Section 1. [124D.351] SKILLS PATH PROGRAM.

Subdivision 1. Purpose. The purpose of the skills path program is to provide students with clear pathways from high school to careers in skilled work and the trades and create opportunities for students to enter postsecondary programs and employment-based training in high school.

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

(b) "Career and technical education dual credit program" means a postsecondary career or technical education course under section 124D.09, subdivision 5a; a secondary course that has a current articulation agreement for postsecondary credit hours with a participating institution; or a youth skills training program that awards postsecondary credit to students.

(c) "Employment-based training" means a registered apprenticeship or apprenticeship readiness program, a dual-training program, a workforce training program at an opportunities industrialization center, or other work-based learning programs in which the student has paid employment.

Subd. 3. Eligible institutions. (a) A secondary public school, an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, a vocational center school, a nonpublic school, or any combination of schools is eligible to apply for a skills path program designation.

(b) A Minnesota state college or university, an institution licensed or registered as a postsecondary institution by the Office of Higher Education, or an institution exempt from the provisions of sections 136A.61 to 136A.71 or 136A.822 to 136A.834, as approved by the Office of Higher Education, may partner with an institution in paragraph (a) to provide a postsecondary options enrollment career and technical education course for eligible students in a skills path program.

(c) An eligible institution may work in partnership with one or more postsecondary programs designated in paragraph (b) to create a two-year program that incorporates secondary and postsecondary credit along with employment-based training to award an associate degree in skilled occupations.

Subd. 4. Skills path programs. The commissioner of higher education must develop an application consistent with section 136A.247, and may consult with the commissioners

19.1 of education and labor and industry, for programs that provide students with clear pathways  
 19.2 from high school to careers in skilled work and the trades to be designated as skills path  
 19.3 programs. Skills path programs must include career-connected learning options, career and  
 19.4 technical education dual credit program options, and employment-based training opportunities  
 19.5 to be eligible for this designation. Applicants must demonstrate how skills path programs  
 19.6 will be marketed to students and what other local partners and employers are involved in  
 19.7 developing career pathway opportunities. Skills path programs may be identified in skilled  
 19.8 occupations and the trades, including manufacturing, construction, health care services,  
 19.9 information technology, agriculture, transportation, child care, law enforcement, energy,  
 19.10 and other related industries.

19.11 Subd. 5. **Interaction with education finance.** For the purpose of computing state aids  
 19.12 for the school district, students participating in the skills path programs under this section  
 19.13 shall be counted in the average daily membership of the school district.

19.14 Subd. 6. **Academic credit.** A school district may grant academic credit for skills path  
 19.15 programs under this section in accordance with local requirements.

19.16 Sec. 2. Minnesota Statutes 2020, section 136A.103, is amended to read:

19.17 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

19.18 (a) A postsecondary institution is eligible for state student aid under chapter 136A and  
 19.19 sections 197.791 and 299A.45, if the institution ~~is located in this state and:~~

19.20 (1) is operated by this state or the Board of Regents of the University of Minnesota; ~~or~~

19.21 (2) is operated privately, is located in the state, and, as determined by the office, meets  
 19.22 the requirements of paragraph (b); or

19.23 (3) is a university that:

19.24 (i) is a nonprofit entity as defined by Internal Revenue Code, section 501(c)(3);

19.25 (ii) is accredited by the institutional accreditor, Northwest Commission on Colleges and  
 19.26 Universities;

19.27 (iii) provides online education;

19.28 (iv) offers exclusively competency-based education; and

19.29 (v) as determined by the office, meets the requirements of paragraph (b).

19.30 For purposes of this clause, competency-based education means an educational delivery  
 19.31 model which organizes academic content by competency rather than more traditional

20.1 methods, such as by course, and measures a student's academic progress by assessing learning  
20.2 outcomes, typically on the basis of mastery of a defined set of competency standards.

20.3 (b) A private institution must:

20.4 (1) maintain academic standards substantially equivalent to those of comparable  
20.5 institutions operated in this state;

20.6 (2) be licensed or registered as a postsecondary institution by the office; and

20.7 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of  
20.8 the Higher Education Act of 1965, Public Law 89-329, as amended; or

20.9 (ii) if an institution was participating in state student aid programs as of June 30, 2010,  
20.10 and the institution did not participate in the federal Pell Grant program by June 30, 2010,  
20.11 the institution must require every student who enrolls to sign a disclosure form, provided  
20.12 by the office, stating that the institution is not participating in the federal Pell Grant program.

20.13 (c) An institution that offers only graduate-level degrees or graduate-level nondegree  
20.14 programs is an eligible institution if the institution is licensed or registered as a postsecondary  
20.15 institution by the office.

20.16 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes  
20.17 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell  
20.18 Grant program within four calendar years of the first ownership change to continue eligibility.

20.19 (e) An institution that loses its eligibility for the federal Pell Grant program is not an  
20.20 eligible institution. The office may terminate an institution's eligibility to participate in state  
20.21 student aid programs effective the date of the loss of eligibility for the federal Pell Grant  
20.22 program.

20.23 (f) An institution must maintain adequate administrative and financial standards and  
20.24 compliance with all state statutes, rules, and administrative policies related to state financial  
20.25 aid programs.

20.26 (g) The office may terminate a postsecondary institution's eligibility to participate in  
20.27 state student aid programs if the institution is terminated from participating in federal  
20.28 financial aid programs by the United States Department of Education for a violation of laws,  
20.29 regulations, or participation agreements governing federal financial aid programs.

20.30 **EFFECTIVE DATE.** This section is effective July 1, 2023.

21.1 **Sec. 3. [136A.1213] GRANTS FOR STUDENTS PURSUING LAW ENFORCEMENT.**

21.2 **Subdivision 1. Grant amount; eligibility.** (a) A student is eligible for a \$3,000 annual  
21.3 grant, awarded at the beginning of the academic term and distributed evenly between two  
21.4 terms, if the student:

21.5 (1) meets the eligibility requirements in section 136A.121, subdivision 2;

21.6 (2) is enrolled for at least nine credits in a law enforcement degree program or a nondegree  
21.7 program under section 626.84, subdivision 1, paragraph (g);

21.8 (3) attends an eligible institution as defined in section 136A.103; and

21.9 (4) is making satisfactory academic progress as defined under section 136A.101,  
21.10 subdivision 10.

21.11 (b) The lifetime limit for:

21.12 (1) nondegree students is \$3,000;

21.13 (2) associate degree students is \$6,000; and

21.14 (3) baccalaureate degree students is \$12,000.

21.15 **Subd. 2. Application.** To receive a grant under this section, a student must apply in the  
21.16 form and manner specified by the commissioner.

21.17 **Sec. 4. [136A.247] SKILLS PATH GRANT PROGRAM.**

21.18 **Subdivision 1. Grant amount.** The commissioner of higher education shall award grants  
21.19 up to \$50,000 per grant to up to ten secondary schools annually for skills path programs  
21.20 under section 124D.351 that align career and technical education dual credit program options  
21.21 with employment-based training opportunities. Applications must demonstrate how grant  
21.22 funding will provide students with clear pathways from high school to postsecondary training  
21.23 that lead to careers in skilled work and the trades. The commissioner of higher education  
21.24 may work with the commissioner of education and the commissioner of labor and industry  
21.25 to develop the grant application and administer the grants.

21.26 **Subd. 2. Grant uses.** (a) A secondary school awarded a grant under this section must  
21.27 use the grant award for any of the following implementation and coordination activities:

21.28 (1) marketing efforts to students about skills path program opportunities;

21.29 (2) coordinating academic, vocational, and occupational learning; school-based and  
21.30 work-based learning; and secondary and postsecondary education for participants in the  
21.31 program;

22.1 (3) reimbursement of tuition, books, required tools, and other expenses necessary for  
 22.2 participation in the program; and

22.3 (4) any other implementation or coordination activity that the commissioner may direct  
 22.4 or permit the eligible institution to perform.

22.5 (b) Grant awards may not be used to pay the wages of a student directly or indirectly.

22.6 Subd. 3. **Grant application.** The following information must be included in the grant  
 22.7 application:

22.8 (1) the identity of each secondary school that is a participant in the skills path program;

22.9 (2) the identity of each registered apprenticeship program or apprenticeship readiness  
 22.10 program, dual-training program, workforce training program at an opportunities  
 22.11 industrialization center, or other work-based learning program in which the student has the  
 22.12 opportunity for paid employment that is a participant in the skills path program;

22.13 (3) the identity of each postsecondary institution, intermediate school district, public  
 22.14 agency, nonprofit organization, union, career and technical education consortium, or  
 22.15 workforce development authority that is a participant in the skills path program;

22.16 (4) the identity of any employers participating in the skills path program;

22.17 (5) a description of any career-connected learning components;

22.18 (6) a description of the career and technical education dual-credit program options;

22.19 (7) a description of any postsecondary education components in the skills path program;

22.20 (8) a description of employment-based training opportunities; and

22.21 (9) applicable career planning information.

22.22 Sec. 5. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

22.23 Subdivision 1. **Membership.** The board consists of 15 members appointed by the  
 22.24 governor, including three members who are students who have attended an institution for  
 22.25 at least one year and are enrolled at the time of appointment at least half time in a degree,  
 22.26 diploma, or certificate program in an institution governed by the board. The student members  
 22.27 shall include one member from a community college, one member from a state university,  
 22.28 and one member from a technical college. One member representing labor must be appointed  
 22.29 after considering the recommendations made under section 136F.045. The governor is not  
 22.30 bound by the recommendations. Appointments to the board are with the advice and consent  
 22.31 of the senate. At least one member of the board must be a resident of each congressional

23.1 district. All other members must be appointed to represent the state at large. In selecting  
 23.2 appointees, the governor must consider the needs of the board and the balance of the board  
 23.3 membership with respect to labor and business representation ~~and~~; racial, gender, geographic,  
 23.4 and ethnic composition; and occupation and experience. In selecting appointees, the governor  
 23.5 must consider the needs of the board for skills relevant to the governance of the Minnesota  
 23.6 State Colleges and Universities and the candidate's ability to discharge the responsibilities  
 23.7 of the board.

23.8 A commissioner of a state agency may not serve as a member of the board.

23.9 Sec. 6. Minnesota Statutes 2020, section 136F.302, subdivision 1, is amended to read:

23.10 Subdivision 1. **ACT or SAT college ready score; Minnesota Comprehensive**  
 23.11 **Assessment career and college ready benchmarks.** (a) A state college or university must  
 23.12 not require an individual to take a ~~remedial~~ developmental, noncredit course in a subject  
 23.13 area if the individual has received a college ready ACT or SAT score or met a career and  
 23.14 college ready Minnesota Comprehensive Assessment benchmark in that subject area. Only  
 23.15 the ACT and SAT scores an individual received and the Minnesota Comprehensive  
 23.16 Assessment benchmarks an individual met in the previous five years are valid for purposes  
 23.17 of this section. Each state college and university must post notice of the exemption from  
 23.18 ~~remedial~~ developmental course taking on its website explaining student course placement  
 23.19 requirements. Prior to enrolling an individual in a developmental course, a college or  
 23.20 university must (1) determine if the individual's performance on the ACT, SAT, or Minnesota  
 23.21 Comprehensive Assessments exempts the individual from the developmental course under  
 23.22 this paragraph, and (2) inform the individual if a developmental course is required.

23.23 (b) When deciding if an individual is admitted to or if an individual may enroll in a state  
 23.24 college or university, the state college or university must consider the individual's scores  
 23.25 on the high school Minnesota Comprehensive Assessments, in addition to other factors  
 23.26 determined relevant by the college or university.

23.27 Sec. 7. Minnesota Statutes 2020, section 136F.302, subdivision 2, is amended to read:

23.28 Subd. 2. ~~Testing Process for determining if remediating developmental education~~  
 23.29 **is necessary.** (a) A college or university must not determine if an individual is placed in a  
 23.30 developmental, noncredit course based solely on a testing process. A state college or  
 23.31 university may use multiple measures to make a holistic determination on whether to place  
 23.32 an individual in a developmental course. Multiple measures may include:

23.33 (1) testing under paragraph (b);

24.1 (2) the individual's scores on the high school Minnesota Comprehensive Assessments,  
 24.2 the ACT, or the SAT;

24.3 (3) high school grade point average;

24.4 (4) teacher recommendations; and

24.5 (5) other factors determined relevant by the college or university.

24.6 (b) A college or university testing process used to determine whether an individual is  
 24.7 placed in a ~~remedial~~ developmental, noncredit course must comply with this subdivision.  
 24.8 Prior to taking a test, an individual must be given reasonable time and opportunity to review  
 24.9 materials provided by the college or university covering the material to be tested which  
 24.10 must include a sample test. An individual who is required to take a ~~remedial~~ developmental,  
 24.11 noncredit course as a result of a test given by a college or university must be given an  
 24.12 opportunity to retake the test at the earliest time determined by the individual when testing  
 24.13 is otherwise offered. The college or university must provide an individual with study materials  
 24.14 for the purpose of retaking and passing the test.

24.15 Sec. 8. Minnesota Statutes 2020, section 136F.38, subdivision 2, is amended to read:

24.16 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning  
 24.17 of an academic term, in the amount of \$2,500, or \$5,000 for law enforcement students, to  
 24.18 be distributed evenly between two terms.

24.19 Sec. 9. Minnesota Statutes 2021 Supplement, section 136F.38, subdivision 3, is amended  
 24.20 to read:

24.21 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible  
 24.22 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following  
 24.23 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health  
 24.24 care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7)  
 24.25 construction; (8) law enforcement; or (9) a program of study under paragraph (b).

24.26 (b) Each institution may add one additional area of study or certification, based on a  
 24.27 workforce shortage for full-time employment requiring postsecondary education that is  
 24.28 unique to the institution's specific region, as reported in the most recent Department of  
 24.29 Employment and Economic Development job vacancy survey data for the economic  
 24.30 development region in which the institution is located. A workforce shortage area is one in  
 24.31 which the job vacancy rate for full-time employment in a specific occupation in a region is



25.1 higher than the state average vacancy rate for that same occupation. The institution may  
 25.2 change the area of study or certification based on new data once every two years.

25.3 (c) The student must be enrolled for at least nine credits in a two-year college in the  
 25.4 Minnesota State Colleges and Universities system to be eligible for first- and second-year  
 25.5 scholarships.

25.6 (d) The student is eligible for a one-year transfer scholarship if the student transfers from  
 25.7 a two-year college after two or more terms, and the student is enrolled for at least nine  
 25.8 credits in a four-year university in the Minnesota State Colleges and Universities system.

25.9 Sec. 10. Minnesota Statutes 2020, section 136F.38, subdivision 4, is amended to read:

25.10 Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but  
 25.11 total lifetime awards are not to exceed \$7,500 per student, or \$15,000 for law enforcement  
 25.12 students. Students may only be awarded a second scholarship upon completion of two  
 25.13 academic terms. Students may be awarded a third scholarship if the student transfers to a  
 25.14 corresponding program at a Minnesota state university.

25.15 Sec. 11. Minnesota Statutes 2020, section 137.022, subdivision 4, is amended to read:

25.16 Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992,  
 25.17 to the permanent university fund from royalties for mining under state mineral leases from  
 25.18 and after July 1, 1991, must be allocated as provided in this subdivision.

25.19 (b)(1) Beginning January 1, 2013, 50 percent of the income must be allocated according  
 25.20 to this paragraph. One-half of the income under this paragraph, up to ~~\$50,000,000~~  
 25.21 \$100,000,000, must be credited to the mineral research account of the fund to be allocated  
 25.22 for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral  
 25.23 and mineral-related research including mineral-related environmental research. The other  
 25.24 one-half of the income under this paragraph, up to \$25,000,000, is credited to an endowment  
 25.25 for the costs of operating a mining, ~~metallurgical~~ mineral, mineral-related, or related  
 25.26 engineering science, technology, engineering, and mathematics (STEM) degree program  
 25.27 programs offered through the University of Minnesota at Mesabi Range Community and  
 25.28 Technical College and the Swenson College of Science and Engineering at Duluth to support  
 25.29 workforce development and collaborations benefiting regional academics, industry, and  
 25.30 natural resources on the Iron Range in northeast Minnesota and for scholarships for  
 25.31 Minnesota students to attend the mining, metallurgical, or related engineering program  
 25.32 mineral, mineral-related, or STEM programs. The maximum scholarship awarded to attend  
 25.33 the ~~mining, metallurgical, or related engineering degree program~~ programs funded under

26.1 this paragraph cannot exceed ~~\$6,500~~ 75 percent of current in-state tuition rates per academic  
26.2 year and may be awarded a maximum of four academic years.

26.3 (2) The remainder of the income under paragraph (a) plus the amount of any income  
26.4 under clause (1) after ~~\$50,000,000~~ \$100,000,000 has been credited to the mineral research  
26.5 account for the Natural Resources Research Institute and the amount of any income over  
26.6 the ~~\$25,000,000 for the engineering program~~ programming in clause (1) must be credited  
26.7 to the endowed scholarship account of the fund for distribution annually for scholastic  
26.8 achievement as provided by the Board of Regents to undergraduates enrolled at the University  
26.9 of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

26.10 (c) The annual distribution from the endowed scholarship account must be allocated to  
26.11 the various campuses of the University of Minnesota in proportion to the number of  
26.12 undergraduate resident students enrolled on each campus.

26.13 (d) The Board of Regents must report to the education committees of the legislature  
26.14 biennially at the time of the submission of its budget request on the disbursement of money  
26.15 from the endowed scholarship account and to the environment and natural resources  
26.16 committees on the use of the mineral research account.

26.17 (e) Capital gains and losses and portfolio income of the permanent university fund must  
26.18 be credited to its three accounts in proportion to the market value of each account.

26.19 (f) The endowment support from the income and capital gains of the endowed mineral  
26.20 research and endowed scholarship accounts of the fund must not total more than six percent  
26.21 per year of the 36-month trailing average market value of the account from which the support  
26.22 is derived.

26.23 **Sec. 12. REVISOR INSTRUCTION.**

26.24 The revisor of statutes shall substitute the term "developmental" for "remedial" wherever  
26.25 the term refers to remedial education courses at a postsecondary institution. The revisor  
26.26 shall also make grammatical changes related to the changes in terms to preserve the meaning  
26.27 of the text.

26.28 **Sec. 13. REPEALER.**

26.29 Minnesota Statutes 2020, section 136F.03, is repealed.

27.1 **ARTICLE 3**

27.2 **MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY**

27.3 Section 1. Minnesota Statutes 2020, section 136A.25, is amended to read:

27.4 **136A.25 CREATION.**

27.5 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority  
27.6 is hereby created.

27.7 Sec. 2. Minnesota Statutes 2020, section 136A.26, is amended to read:

27.8 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**

27.9 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities  
27.10 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice  
27.11 and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

27.12 All members to be appointed by the governor shall be residents of the state. At least two  
27.13 members must reside outside the metropolitan area as defined in section 473.121, subdivision  
27.14 2. At least one of the members shall be a person having a favorable reputation for skill,  
27.15 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall  
27.16 be a person having a favorable reputation for skill, knowledge, and experience in the building  
27.17 construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or  
27.18 employee of an institution of higher education; and at least one of the members shall be a  
27.19 trustee, director, officer, or employee of a health care organization.

27.20 Subd. 1a. **Private College Council member.** The president of the Minnesota Private  
27.21 College Council, or the president's designee, shall serve without compensation as an advisory,  
27.22 nonvoting member of the authority.

27.23 Subd. 1b. **Nonprofit health care association member.** The chief executive officer of  
27.24 a Minnesota nonprofit membership association whose members are primarily nonprofit  
27.25 health care organizations, or the chief executive officer's designee, shall serve without  
27.26 compensation as an advisory, nonvoting member of the authority. The identity of the  
27.27 Minnesota nonprofit membership association shall be determined and may be changed from  
27.28 time to time by the members of the authority in accordance with and as shall be provided  
27.29 in the bylaws of the authority.

27.30 Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal  
27.31 of members, and filling of vacancies for authority members other than the representative  
27.32 of the office, ~~and~~ the president of the Private College Council, or the chief executive officer

28.1 of the Minnesota nonprofit membership association described in subdivision 1b shall be as  
 28.2 provided in section 15.0575.

28.3 Sec. 3. Minnesota Statutes 2020, section 136A.27, is amended to read:

28.4 **136A.27 POLICY.**

28.5 It is hereby declared that for the benefit of the people of the state, the increase of their  
 28.6 commerce, welfare and prosperity and the improvement of their health and living conditions  
 28.7 it is essential that health care organizations within the state be provided with appropriate  
 28.8 additional means to establish, acquire, construct, improve, and expand health care facilities  
 28.9 in furtherance of their purposes; that this and future generations of youth be given the fullest  
 28.10 opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~  
 28.11 that institutions of higher education within the state be provided with appropriate additional  
 28.12 means to assist such youth in achieving the required levels of learning and development of  
 28.13 their intellectual and mental capacities; and that health care organizations and institutions  
 28.14 of higher education be enabled to refinance outstanding indebtedness incurred to provide  
 28.15 existing facilities used for such purposes in order to preserve and enhance the utilization of  
 28.16 facilities for purposes of health care and higher education, to extend or adjust maturities in  
 28.17 relation to the resources available for their payment, and to save interest costs and thereby  
 28.18 reduce health care costs or higher education tuition, fees, and charges; ~~and~~. It is hereby  
 28.19 further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure  
 28.20 of assistance and an alternative method to enable health care organizations and institutions  
 28.21 of higher education in the state to provide the facilities and structures which are sorely  
 28.22 needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit  
 28.23 and good, to the extent and manner provided herein.

28.24 Sec. 4. Minnesota Statutes 2020, section 136A.28, is amended to read:

28.25 **136A.28 DEFINITIONS.**

28.26 Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms  
 28.27 shall, unless the context otherwise requires, have the meanings ascribed to them.

28.28 Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is  
 28.29 controlled by, or is under common control with, another entity. For the purposes of this  
 28.30 subdivision, "control" means either the power to elect a majority of the members of the  
 28.31 governing body of an entity or the power, whether by contract or otherwise, to direct the  
 28.32 management and policies of the entity. Affiliate also means an entity whose business or  
 28.33 substantially all of whose property is operated under a lease, management agreement, or

29.1 operating agreement by another entity, or an entity who operates the business or substantially  
 29.2 all of the property of another entity under a lease, management agreement, or operating  
 29.3 agreement.

29.4 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities  
 29.5 Authority created by sections 136A.25 to 136A.42.

29.6 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~  
 29.7 ~~or other student housing facility, a dining hall, student union, administration building,~~  
 29.8 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~  
 29.9 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~  
 29.10 ~~structures or facilities related thereto or required or useful for the instruction of students or~~  
 29.11 ~~the conducting of research or the operation of an institution of higher education, whether~~  
 29.12 ~~proposed, under construction, or completed, including parking and other facilities or~~  
 29.13 ~~structures essential or convenient for the orderly conduct of such institution for higher~~  
 29.14 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~  
 29.15 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~  
 29.16 ~~facility or structure in the manner for which its use is intended but shall not include such~~  
 29.17 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~  
 29.18 ~~result in a current operating charge, and shall~~ a health care facility or an education facility  
 29.19 whether proposed, under construction, or completed, and includes land or interests in land,  
 29.20 appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,  
 29.21 furniture, machinery, equipment, and parking. Project also includes other structures, facilities,  
 29.22 improvements, machinery, equipment, and means of transport of a capital nature that are  
 29.23 necessary or convenient for the operation of the facility. Project does not include: (1) any  
 29.24 facility used or to be used for sectarian instruction or as a place of religious worship nor;  
 29.25 (2) any facility which is used or to be used primarily in connection with any part of the  
 29.26 program of a school or department of divinity for any religious denomination; nor (3) any  
 29.27 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are  
 29.28 customarily deemed to result in a current operating charge.

29.29 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the  
 29.30 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,  
 29.31 acquisition, alteration, enlargement, reconstruction and remodeling of a project including  
 29.32 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements  
 29.33 and interests acquired or used for or in connection with a project, the cost of demolishing  
 29.34 or removing any buildings or structures on land so acquired, including the cost of acquiring  
 29.35 any lands to which ~~such~~ buildings or structures may be moved, the cost of all machinery

30.1 and equipment, financing charges, interest prior to, during and for a period after completion  
 30.2 of such construction and acquisition, provisions for reserves for principal and interest and  
 30.3 for extensions, enlargements, additions and improvements, the cost of architectural,  
 30.4 engineering, financial and legal services, plans, specifications, studies, surveys, estimates  
 30.5 of cost and of revenues, administrative expenses, expenses necessary or incident to  
 30.6 determining the feasibility or practicability of constructing the project and such other  
 30.7 expenses as may be necessary or incident to the construction and acquisition of the project,  
 30.8 the financing of such construction and acquisition and the placing of the project in operation.

30.9 Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority  
 30.10 issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding  
 30.11 bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit  
 30.12 of a participating institution ~~for higher education~~ or any other lawfully pledged security of  
 30.13 a participating institution ~~for higher education~~.

30.14 Subd. 6. **Institution of higher education.** "Institution of higher education" means a  
 30.15 nonprofit educational institution within the state authorized to provide a program of education  
 30.16 beyond the high school level.

30.17 Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit  
 30.18 organization located within the state and authorized by law to operate a nonprofit health  
 30.19 care facility in the state. Health care organization also means a nonprofit affiliate of a health  
 30.20 care organization as defined under this paragraph, provided the affiliate is located within  
 30.21 the state or within a state that is geographically contiguous to Minnesota.

30.22 (b) Health care organization also means a nonprofit organization located within another  
 30.23 state that is geographically contiguous to Minnesota and authorized by law to operate a  
 30.24 nonprofit health care facility in that state, provided that the nonprofit organization located  
 30.25 within the contiguous state is an affiliate of a health care organization located within the  
 30.26 state.

30.27 Subd. 6b. **Education facility.** "Education facility" means a structure or structures  
 30.28 available for use as a dormitory or other student housing facility, dining hall, student union,  
 30.29 administration building, academic building, library, laboratory, research facility, classroom,  
 30.30 athletic facility, student health care facility, or child care facility, and includes other facilities  
 30.31 or structures related thereto essential or convenient for the orderly conduct of an institution  
 30.32 of higher education.

30.33 Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures  
 30.34 available for use within this state as a hospital, clinic, psychiatric residential treatment

31.1 facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation  
 31.2 facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis  
 31.3 facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility,  
 31.4 medical office building, residence for nurses or interns, nursing home, boarding care home,  
 31.5 assisted living facility, residential hospice, intermediate care facility for persons with  
 31.6 developmental disabilities, supervised living facility, housing with services establishment,  
 31.7 board and lodging establishment with special services, adult day care center, day services  
 31.8 facility, prescribed pediatric extended care facility, community residential setting, adult  
 31.9 foster home, or other facility related to medical or health care research, or the delivery or  
 31.10 administration of health care services, and includes other structures or facilities related  
 31.11 thereto essential or convenient for the orderly conduct of a health care organization.

31.12 (b) Health care facility also means a facility in a state that is geographically contiguous  
 31.13 to Minnesota operated by a health care organization that corresponds by purpose, function,  
 31.14 or use with a facility listed in paragraph (a).

31.15 Subd. 7. **Participating institution of higher education.** "~~Participating institution of~~  
 31.16 ~~higher education~~" means a health care organization or an institution of higher education  
 31.17 that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and  
 31.18 construction or acquisition of a project or undertakes the refunding or refinancing of  
 31.19 obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.  
 31.20 Community colleges and technical colleges may be considered participating institutions of  
 31.21 ~~higher education~~ for the purpose of financing and constructing child care facilities and  
 31.22 parking facilities.

31.23 Sec. 5. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

31.24 Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care  
 31.25 organizations and institutions of higher education in the construction, financing, and  
 31.26 refinancing of projects. The exercise by the authority of the powers conferred by sections  
 31.27 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public  
 31.28 function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the  
 31.29 powers and duties set forth in subdivisions 2 to 23.

31.30 Sec. 6. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

31.31 Subd. 3. **Employees.** The authority is authorized and empowered to appoint and employ  
 31.32 employees as it may deem necessary to carry out its duties, determine the title of the  
 31.33 employees so employed, and fix the salary of ~~said~~ its employees. Employees of the authority

32.1 shall participate in retirement and other benefits in the same manner that employees in the  
 32.2 ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision 3,  
 32.3 participate.

32.4 Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

32.5 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine  
 32.6 the location and character of any project to be financed under the provisions of sections  
 32.7 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,  
 32.8 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into  
 32.9 contracts for any or all of such purposes, to enter into contracts for the management and  
 32.10 operation of a project, and to designate a participating institution ~~of higher education~~ as its  
 32.11 agent to determine the location and character of a project undertaken by such participating  
 32.12 institution ~~of higher education~~ under the provisions of sections 136A.25 to 136A.42 and as  
 32.13 the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge,  
 32.14 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the  
 32.15 agent of the authority, to enter into contracts for any or all of such purposes, including  
 32.16 contracts for the management and operation of such project.

32.17 (b) Notwithstanding paragraph (a), a project involving a health care facility within the  
 32.18 state financed under sections 136A.25 to 136A.42, must comply with all applicable  
 32.19 requirements in state law related to authorizing construction of or modifications to a health  
 32.20 care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and  
 32.21 252.291.

32.22 (c) Contracts of the authority or of a participating institution ~~of higher education~~ to  
 32.23 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair  
 32.24 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other  
 32.25 public contract or competitive bid law.

32.26 Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

32.27 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue  
 32.28 revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~  
 32.29 \$4,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds  
 32.30 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for  
 32.31 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,  
 32.32 furnishing, or equipping one or more projects or parts thereof.



33.1 (b) Of the \$4,000,000,000 limit in paragraph (a), the aggregate principal amount used  
 33.2 to fund education facilities may not exceed \$1,750,000,000 at any time, and the aggregate  
 33.3 principal amount used to fund health care facilities may not exceed \$2,250,000,000 at any  
 33.4 time.

33.5 Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

33.6 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized  
 33.7 and empowered to issue revenue bonds to acquire projects from or to make loans to  
 33.8 participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness  
 33.9 incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition,  
 33.10 construction or improvement of a facility before or after the enactment of sections 136A.25  
 33.11 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the  
 33.12 authority finds that such refinancing will enhance or preserve such participating institutions  
 33.13 and such facilities or utilization thereof for health care or educational purposes or extend  
 33.14 or adjust maturities to correspond to the resources available for their payment, or reduce  
 33.15 charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed  
 33.16 on students for the use or occupancy of the facilities of such participating institutions of  
 33.17 ~~higher education~~ or costs met by federal or state public funds, or enhance or preserve health  
 33.18 care or educational programs and research or the acquisition or improvement of other  
 33.19 facilities eligible to be a project or part thereof by the participating institution ~~of higher~~  
 33.20 ~~education~~. The amount of revenue bonds to be issued to refinance outstanding indebtedness  
 33.21 of a participating institution ~~of higher education~~ shall not exceed the lesser of (a) the fair  
 33.22 value of the project to be acquired by the authority from the institution or mortgaged to the  
 33.23 authority by the institution or (b) the amount of the outstanding indebtedness including any  
 33.24 premium thereon and any interest accrued or to accrue to the date of redemption and any  
 33.25 legal, fiscal and related costs in connection with such refinancing and reasonable reserves,  
 33.26 as determined by the authority. The provisions of this subdivision do not prohibit the authority  
 33.27 from issuing revenue bonds within and charged against the limitations provided in subdivision  
 33.28 9 to provide funds for improvements, alteration, renovation, or extension of the project  
 33.29 refinanced.

33.30 Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

33.31 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to  
 33.32 establish rules for the use of a project or any portion thereof and to designate a participating  
 33.33 institution ~~of higher education~~ as its agent to establish rules for the use of a project undertaken  
 33.34 for such participating institution ~~of higher education~~.

34.1 Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

34.2 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of  
 34.3 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution  
 34.4 of the authority to handle funds or sign checks of the authority shall be covered under a  
 34.5 surety or fidelity bond in an amount to be determined by the authority. Each such bond shall  
 34.6 be conditioned upon the faithful performance of the duties of the office of the member or  
 34.7 officer, and shall be executed by a surety company authorized to transact business in the  
 34.8 state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

34.9 Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

34.10 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and  
 34.11 empowered to sell, lease, release, or otherwise dispose of real and personal property or  
 34.12 interests therein, or a combination thereof, acquired by the authority under authority of  
 34.13 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or  
 34.14 of the authority, and grant such easements and other rights in, over, under, or across a project  
 34.15 as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release,  
 34.16 disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and  
 34.17 for such consideration as the authority in its judgment deems appropriate.

34.18 Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

34.19 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any  
 34.20 participating institution of ~~higher education~~ for the cost of a project in accordance with an  
 34.21 agreement between the authority and the participating institution of ~~higher education~~;  
 34.22 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the  
 34.23 participating institution of ~~higher education~~ and approved by the authority.

34.24 Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

34.25 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and  
 34.26 empowered to charge to and apportion among participating institutions of ~~higher education~~  
 34.27 its administrative costs and expenses incurred in the exercise of the powers and duties  
 34.28 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment  
 34.29 deems appropriate.

35.1 Sec. 15. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision  
35.2 to read:

35.3 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered  
35.4 to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a.  
35.5 A determination by the authority of affiliate status shall be deemed conclusive for the  
35.6 purposes of sections 136A.25 to 136A.42.

35.7 Sec. 16. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

35.8 Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions  
35.9 authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which  
35.10 shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

35.11 (1) pledging all or any part of the revenues of a project or projects, any revenue producing  
35.12 contract or contracts made by the authority with ~~any individual partnership, corporation or~~  
35.13 ~~association or other body~~ one or more partnerships, corporations or associations, or other  
35.14 bodies, public or private, to secure the payment of the revenue bonds or of any particular  
35.15 issue of revenue bonds, subject to such agreements with bondholders as may then exist;

35.16 (2) the rentals, fees and other charges to be charged, and the amounts to be raised in  
35.17 each year thereby, and the use and disposition of the revenues;

35.18 (3) the setting aside of reserves or sinking funds, and the regulation and disposition  
35.19 thereof;

35.20 (4) limitations on the right of the authority or its agent to restrict and regulate the use of  
35.21 the project;

35.22 (5) limitations on the purpose to which the proceeds of sale of any issue of revenue  
35.23 bonds then or thereafter to be issued may be applied and pledging such proceeds to secure  
35.24 the payment of the revenue bonds or any issue of the revenue bonds;

35.25 (6) limitations on the issuance of additional bonds, the terms upon which additional  
35.26 bonds may be issued and secured and the refunding of outstanding bonds;

35.27 (7) the procedure, if any, by which the terms of any contract with bondholders may be  
35.28 amended or abrogated, the amount of bonds the holders of which must consent thereto, and  
35.29 the manner in which such consent may be given;

35.30 (8) limitations on the amount of moneys derived from the project to be expended for  
35.31 operating, administrative or other expenses of the authority;

36.1 (9) defining the acts or omissions to act which shall constitute a default in the duties of  
 36.2 the authority to holders of its obligations and providing the rights and remedies of such  
 36.3 holders in the event of a default; or

36.4 (10) the mortgaging of a project and the site thereof for the purpose of securing the  
 36.5 bondholders.

36.6 Sec. 17. Minnesota Statutes 2020, section 136A.33, is amended to read:

36.7 **136A.33 TRUST AGREEMENT.**

36.8 In the discretion of the authority any revenue bonds issued under the provisions of  
 36.9 sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the  
 36.10 authority and a corporate trustee or trustees, which may be any trust company or bank having  
 36.11 the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution  
 36.12 providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be  
 36.13 received or proceeds of any contract or contracts pledged and may convey or mortgage the  
 36.14 project or any portion thereof. ~~Such~~ The trust agreement or resolution providing for the  
 36.15 issuance of ~~such~~ revenue bonds may contain such provisions for protecting and enforcing  
 36.16 the rights and remedies of the bondholders as may be reasonable and proper and not in  
 36.17 violation of laws, including particularly such provisions as have hereinabove been specifically  
 36.18 authorized to be included in any resolution or resolutions of the authority authorizing revenue  
 36.19 bonds thereof. Any bank or trust company incorporated under the laws of the state ~~which~~  
 36.20 that may act as depository of the proceeds of bonds or of revenues or other moneys may  
 36.21 furnish ~~such~~ indemnifying bonds or ~~pledges~~ ~~such~~ pledge securities as may be required by  
 36.22 the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the  
 36.23 bondholders and of the trustee or trustees and may restrict the individual right of action by  
 36.24 bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain  
 36.25 ~~such~~ other provisions as the authority may deem reasonable and proper for the security of  
 36.26 the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust  
 36.27 agreement or resolution may be treated as a part of the cost of the operation of a project.

36.28 Sec. 18. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

36.29 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending such use, may be invested  
 36.30 and reinvested in direct obligations of the United States of America, or in certificates of  
 36.31 deposit or time deposits secured by direct obligations of the United States of America, or  
 36.32 in shares or units in any money market mutual fund whose investment portfolio consists  
 36.33 solely of direct obligations of the United States of America, maturing at such time or times

37.1 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption  
 37.2 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income  
 37.3 and profits, if any, earned or realized on any such investment may also be applied to the  
 37.4 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow  
 37.5 have been fully satisfied and carried out, any balance of such proceeds and interest, income  
 37.6 and profits, if any, earned or realized on the investments thereof may be returned to the  
 37.7 authority for use by it in any lawful manner.

37.8 Sec. 19. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

37.9 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~  
 37.10 revenue bonds issued for the additional purpose of paying all or any part of the cost of  
 37.11 constructing and acquiring additions, improvements, extensions or enlargements of a project  
 37.12 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision  
 37.13 7.

37.14 Sec. 20. Minnesota Statutes 2020, section 136A.36, is amended to read:

37.15 **136A.36 REVENUES.**

37.16 The authority may fix, revise, charge and collect rates, rents, fees and charges for the  
 37.17 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract  
 37.18 with any person, partnership, association or corporation, or other body, public or private,  
 37.19 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects  
 37.20 involving an education facility and projects involving a health care facility and shall be  
 37.21 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~  
 37.22 the project so as to provide funds sufficient with other revenues, if any:

37.23 (1) to pay the cost of maintaining, repairing and operating the project and each and every  
 37.24 portion thereof, to the extent that the payment of such cost has not otherwise been adequately  
 37.25 provided for;

37.26 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority  
 37.27 issued in respect of such project as the same shall become due and payable; and

37.28 (3) to create and maintain reserves required or provided for in any resolution authorizing,  
 37.29 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees  
 37.30 and charges shall not be subject to supervision or regulation by any department, commission,  
 37.31 board, body, bureau or agency of this state other than the authority. A sufficient amount of  
 37.32 the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may

38.1 be necessary to pay the cost of maintenance, repair and operation and to provide reserves  
 38.2 and for renewals, replacements, extensions, enlargements and improvements as may be  
 38.3 provided for in the resolution authorizing the issuance of any revenue bonds of the authority  
 38.4 or in the trust agreement securing the same, shall be set aside at such regular intervals as  
 38.5 may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund  
 38.6 ~~which~~ that is hereby pledged to, and charged with, the payment of the principal of and the  
 38.7 interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or  
 38.8 the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge  
 38.9 shall be valid and binding from the time when the pledge is made; the rates, rents, fees and  
 38.10 charges and other revenues or other moneys so pledged and thereafter received by the  
 38.11 authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery  
 38.12 thereof or further act, and the lien of any such pledge shall be valid and binding as against  
 38.13 all parties having claims of any kind against the authority, irrespective of whether such  
 38.14 parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge  
 38.15 is created need be filed or recorded except in the records of the authority. The use and  
 38.16 disposition of moneys to the credit of such sinking or other similar fund shall be subject to  
 38.17 the provisions of the resolution authorizing the issuance of such bonds or of such trust  
 38.18 agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust  
 38.19 agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds  
 38.20 issued to finance a project or projects at one or more participating institutions ~~of higher~~  
 38.21 ~~education~~ without distinction or priority of one over another; provided the authority in any  
 38.22 such resolution or trust agreement may provide that such sinking or other similar fund shall  
 38.23 be the fund for a particular project at ~~an~~ a participating institution ~~of higher education~~ and  
 38.24 for the revenue bonds issued to finance a particular project and may, additionally, permit  
 38.25 and provide for the issuance of revenue bonds having a subordinate lien in respect of the  
 38.26 security herein authorized to other revenue bonds of the authority and, in such case, the  
 38.27 authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien  
 38.28 bonds.

38.29 Sec. 21. Minnesota Statutes 2020, section 136A.38, is amended to read:

38.30 **136A.38 BONDS ELIGIBLE FOR INVESTMENT.**

38.31 Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are  
 38.32 hereby made securities in which all public officers and public bodies of the state and its  
 38.33 political subdivisions, all insurance companies, trust companies, banking associations,  
 38.34 investment companies, executors, administrators, trustees and other fiduciaries may properly  
 38.35 and legally invest funds, including capital in their control or belonging to them; it being the

39.1 purpose of this section to authorize the investment in such bonds of all sinking, insurance,  
 39.2 retirement, compensation, pension and trust funds, whether owned or controlled by private  
 39.3 or public persons or officers; provided, however, that nothing contained in this section may  
 39.4 be construed as relieving any person, firm, or corporation from any duty of exercising due  
 39.5 care in selecting securities for purchase or investment; and provide further, that in no event  
 39.6 shall assets of pension funds of public employees of the state of Minnesota or any of its  
 39.7 agencies, boards or subdivisions, whether publicly or privately administered, be invested  
 39.8 in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby  
 39.9 constituted "authorized securities" within the meaning and for the purposes of Minnesota  
 39.10 Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may  
 39.11 properly and legally be deposited with and received by any state or municipal officer or any  
 39.12 agency or political subdivision of the state for any purpose for which the deposit of bonds  
 39.13 or obligations of the state now or may hereafter be authorized by law.

39.14 Sec. 22. Minnesota Statutes 2020, section 136A.41, is amended to read:

39.15 **136A.41 CONFLICT OF INTEREST.**

39.16 Notwithstanding any other law to the contrary it shall not be or constitute a conflict of  
 39.17 interest for a trustee, director, officer or employee of any participating institution ~~of higher~~  
 39.18 ~~education~~, financial institution, investment banking firm, brokerage firm, commercial bank  
 39.19 or trust company, architecture firm, insurance company, construction company, or any other  
 39.20 firm, person or corporation to serve as a member of the authority, provided such trustee,  
 39.21 director, officer or employee shall abstain from deliberation, action and vote by the authority  
 39.22 in each instance where the business affiliation of any such trustee, director, officer or  
 39.23 employee is involved.

39.24 Sec. 23. Minnesota Statutes 2020, section 136A.42, is amended to read:

39.25 **136A.42 ANNUAL REPORT.**

39.26 The authority shall keep an accurate account of all of its activities and all of its receipts  
 39.27 and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit  
 39.28 to the Minnesota Historical Society and the Legislative Reference Library a report of the  
 39.29 authority's activities in the previous year, including all financial activities.

39.30 Sec. 24. **REVISOR INSTRUCTION.**

39.31 The revisor of statutes shall renumber the law establishing and governing the Minnesota  
 39.32 Higher Education Facilities Authority, renamed the Minnesota Health and Education

40.1 Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota  
 40.2 Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor  
 40.3 of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter  
 40.4 136A, revise any statutory cross-references consistent with the recoding, and report the  
 40.5 history in Minnesota Statutes, chapter 16F.

40.6 Sec. 25. **REPEALER.**

40.7 Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.

40.8 **ARTICLE 4**  
 40.9 **MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY**  
 40.10 **CONFORMING AMENDMENTS**

40.11 Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

40.12 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined  
 40.13 in this section have the meanings given them.

40.14 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and  
 40.15 officers in the executive, legislative, and judicial branches of the state of Minnesota and  
 40.16 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher  
 40.17 Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology  
 40.18 Advisory Committee, the Armory Building Commission, the Zoological Board, the  
 40.19 Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society,  
 40.20 the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges  
 40.21 and Universities, state hospitals, and state penal institutions. It does not include a city, town,  
 40.22 county, school district, or other local governmental body corporate and politic.

40.23 (2) "Employee of the state" means all present or former officers, members, directors, or  
 40.24 employees of the state, members of the Minnesota National Guard, members of a bomb  
 40.25 disposal unit approved by the commissioner of public safety and employed by a municipality  
 40.26 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other  
 40.27 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the  
 40.28 municipality but within the state, or persons acting on behalf of the state in an official  
 40.29 capacity, temporarily or permanently, with or without compensation. It does not include  
 40.30 either an independent contractor except, for purposes of this section and section 3.736 only,  
 40.31 a guardian ad litem acting under court appointment, or members of the Minnesota National  
 40.32 Guard while engaged in training or duty under United States Code, title 10, or title 32,  
 40.33 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding



41.1 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee  
41.2 of the state" includes a district public defender or assistant district public defender in the  
41.3 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,  
41.4 and any officer, agent, or employee of the state of Wisconsin performing work for the state  
41.5 of Minnesota pursuant to a joint state initiative.

41.6 (3) "Scope of office or employment" means that the employee was acting on behalf of  
41.7 the state in the performance of duties or tasks lawfully assigned by competent authority.

41.8 (4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

41.9 Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended  
41.10 to read:

41.11 Subd. 35. **Public official.** "Public official" means any:

41.12 (1) member of the legislature;

41.13 (2) individual employed by the legislature as secretary of the senate, legislative auditor,  
41.14 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor  
41.15 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of  
41.16 Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis  
41.17 Department;

41.18 (3) constitutional officer in the executive branch and the officer's chief administrative  
41.19 deputy;

41.20 (4) solicitor general or deputy, assistant, or special assistant attorney general;

41.21 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
41.22 department or agency as listed in section 15.01 or 15.06, or the state chief information  
41.23 officer;

41.24 (6) member, chief administrative officer, or deputy chief administrative officer of a state  
41.25 board or commission that has either the power to adopt, amend, or repeal rules under chapter  
41.26 14, or the power to adjudicate contested cases or appeals under chapter 14;

41.27 (7) individual employed in the executive branch who is authorized to adopt, amend, or  
41.28 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

41.29 (8) executive director of the State Board of Investment;

41.30 (9) deputy of any official listed in clauses (7) and (8);

41.31 (10) judge of the Workers' Compensation Court of Appeals;

- 42.1 (11) administrative law judge or compensation judge in the State Office of Administrative  
42.2 Hearings or unemployment law judge in the Department of Employment and Economic  
42.3 Development;
- 42.4 (12) member, regional administrator, division director, general counsel, or operations  
42.5 manager of the Metropolitan Council;
- 42.6 (13) member or chief administrator of a metropolitan agency;
- 42.7 (14) director of the Division of Alcohol and Gambling Enforcement in the Department  
42.8 of Public Safety;
- 42.9 (15) member or executive director of the ~~Higher~~ Health and Education Facilities  
42.10 Authority;
- 42.11 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 42.12 (17) member of the board of directors or executive director of the Minnesota State High  
42.13 School League;
- 42.14 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 42.15 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 42.16 (20) manager of a watershed district, or member of a watershed management organization  
42.17 as defined under section 103B.205, subdivision 13;
- 42.18 (21) supervisor of a soil and water conservation district;
- 42.19 (22) director of Explore Minnesota Tourism;
- 42.20 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section  
42.21 97A.056;
- 42.22 (24) citizen member of the Clean Water Council established in section 114D.30;
- 42.23 (25) member or chief executive of the Minnesota Sports Facilities Authority established  
42.24 in section 473J.07;
- 42.25 (26) district court judge, appeals court judge, or supreme court justice;
- 42.26 (27) county commissioner;
- 42.27 (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- 42.28 (29) member of the Destination Medical Center Corporation established in section  
42.29 469.41; or

43.1 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges  
43.2 and Universities.

43.3 Sec. 3. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:

43.4 Subdivision 1. **Authorization.** A technical college or a community college must not  
43.5 seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and  
43.6 Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the  
43.7 explicit authorization of the board.

43.8 Sec. 4. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

43.9 Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered  
43.10 by the individual retirement account plan under section 354B.211, means:

43.11 (1) the board;

43.12 (2) the Minnesota Office of Higher Education; and

43.13 (3) the ~~Higher~~ Health and Education Facilities Authority.

43.14

## ARTICLE 5

43.15

### ENERGY AND UTILITIES

43.16 Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

43.17 Subdivision 1. **Renewable development account.** (a) The renewable development  
43.18 account is established as a separate account in the special revenue fund in the state treasury.  
43.19 Appropriations and transfers to the account shall be credited to the account. Earnings, such  
43.20 as interest, dividends, and any other earnings arising from assets of the account, shall be  
43.21 credited to the account. Funds remaining in the account at the end of a fiscal year are not  
43.22 canceled to the general fund but remain in the account until expended. The account shall  
43.23 be administered by the commissioner of management and budget as provided under this  
43.24 section.

43.25 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating  
43.26 plant must transfer all funds in the renewable development account previously established  
43.27 under this subdivision and managed by the public utility to the renewable development  
43.28 account established in paragraph (a). Funds awarded to grantees in previous grant cycles  
43.29 that have not yet been expended and unencumbered funds required to be paid in calendar  
43.30 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject  
43.31 to transfer under this paragraph.

44.1 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
44.2 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating  
44.3 plant must transfer to the renewable development account \$500,000 each year for each dry  
44.4 cask containing spent fuel that is located at the Prairie Island power plant for each year the  
44.5 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by  
44.6 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste  
44.7 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any  
44.8 part of a year.

44.9 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing  
44.10 each January 15 thereafter, the public utility that owns the Monticello nuclear generating  
44.11 plant must transfer to the renewable development account \$350,000 each year for each dry  
44.12 cask containing spent fuel that is located at the Monticello nuclear power plant for each  
44.13 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered  
44.14 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear  
44.15 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for  
44.16 any part of a year.

44.17 (e) Each year, the public utility shall withhold from the funds transferred to the renewable  
44.18 development account under paragraphs (c) and (d) the amount necessary to pay its obligations  
44.19 under paragraphs (f) ~~and~~, (g), and (m), and sections 116C.7792 and 216C.41, for that calendar  
44.20 year.

44.21 (f) If the commission approves a new or amended power purchase agreement, the  
44.22 termination of a power purchase agreement, or the purchase and closure of a facility under  
44.23 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,  
44.24 the public utility subject to this section shall enter into a contract with the city in which the  
44.25 poultry litter plant is located to provide grants to the city for the purposes of economic  
44.26 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each  
44.27 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid  
44.28 by the public utility from funds withheld from the transfer to the renewable development  
44.29 account, as provided in paragraphs (b) and (e).

44.30 (g) If the commission approves a new or amended power purchase agreement, or the  
44.31 termination of a power purchase agreement under section 216B.2424, subdivision 9, with  
44.32 an entity owned or controlled, directly or indirectly, by two municipal utilities located north  
44.33 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in  
44.34 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a  
44.35 grant contract with such entity to provide \$6,800,000 per year for five years, commencing

45.1 30 days after the commission approves the new or amended power purchase agreement, or  
45.2 the termination of the power purchase agreement, and on each June 1 thereafter through  
45.3 2021, to assist the transition required by the new, amended, or terminated power purchase  
45.4 agreement. The grant shall be paid by the public utility from funds withheld from the transfer  
45.5 to the renewable development account as provided in paragraphs (b) and (e).

45.6 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)  
45.7 and (g) is limited to the amount deposited into the renewable development account, and its  
45.8 predecessor, the renewable development account, established under this section, that was  
45.9 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section  
45.10 10.

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

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

45.20 (1) to stimulate research and development of renewable electric energy technologies;

45.21 (2) to encourage grid modernization, including, but not limited to, projects that implement  
45.22 electricity storage, load control, and smart meter technology; and

45.23 (3) to stimulate other innovative energy projects that reduce demand and increase system  
45.24 efficiency and flexibility.

45.25 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service  
45.26 from the utility that owns a nuclear-powered electric generating plant in this state or the  
45.27 Prairie Island Indian community or its members.

45.28 The utility that owns a nuclear generating plant is eligible to apply for grants under this  
45.29 subdivision.

45.30 (k) For the purposes of paragraph (j), the following terms have the meanings given:

45.31 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph  
45.32 (c), clauses (1), (2), (4), and (5); and

46.1 (2) "grid modernization" means:

46.2 (i) enhancing the reliability of the electrical grid;

46.3 (ii) improving the security of the electrical grid against cyberthreats and physical threats;

46.4 and

46.5 (iii) increasing energy conservation opportunities by facilitating communication between  
46.6 the utility and its customers through the use of two-way meters, control technologies, energy  
46.7 storage and microgrids, technologies to enable demand response, and other innovative  
46.8 technologies.

46.9 (l) A renewable development account advisory group that includes, among others,  
46.10 representatives of the public utility and its ratepayers, and includes at least one representative  
46.11 of the Prairie Island Indian community appointed by that community's tribal council, shall  
46.12 develop recommendations on account expenditures. Except as otherwise provided herein,  
46.13 members of the advisory group shall be chosen by the public utility. The public utility may  
46.14 design a request for proposal in conjunction with the advisory group. The advisory group  
46.15 must design a request for proposal and evaluate projects submitted in response to a request  
46.16 for proposals. The advisory group must utilize an independent third-party expert to evaluate  
46.17 proposals submitted in response to a request for proposal, including all proposals made by  
46.18 the public utility. A request for proposal for research and development under paragraph (j),  
46.19 clause (1), may be limited to or include a request to higher education institutions located in  
46.20 Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for  
46.21 multiple projects may include a provision that exempts the projects from the third-party  
46.22 expert review and instead provides for project evaluation and selection by a merit peer  
46.23 review grant system. In the process of determining request for proposal scope and subject  
46.24 and in evaluating responses to request for proposals, the advisory group must strongly  
46.25 consider, where reasonable, potential benefit to Minnesota citizens and businesses and the  
46.26 utility's ratepayers.

46.27 (m) The cost of acquiring the services of the independent third-party expert described  
46.28 in paragraph (l) and any other costs incurred in administering the advisory group and its  
46.29 actions as required by this section, not to exceed \$150,000, shall be paid from funds withheld  
46.30 by the public utility under paragraph (e).

46.31 ~~(m)~~ (n) The advisory group shall submit funding recommendations to the public utility,  
46.32 which has full and sole authority to determine which expenditures shall be submitted ~~by~~  
46.33 ~~the advisory group~~ to the legislature commission. The commission may approve proposed  
46.34 expenditures, may disapprove proposed expenditures that it finds not to be in compliance

47.1 with this subdivision or otherwise not in the public interest, and may, if agreed to by the  
47.2 public utility, modify proposed expenditures. The commission shall, by order, submit its  
47.3 funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

47.4 ~~(n)~~ (o) The commission shall present its recommended appropriations from the account  
47.5 to the senate and house of representatives committees with jurisdiction over energy policy  
47.6 and finance annually by February 15. Expenditures from the account must be appropriated  
47.7 by law. In enacting appropriations from the account, the legislature:

47.8 (1) may approve or disapprove, but may not modify, the amount of an appropriation for  
47.9 a project recommended by the commission; and

47.10 (2) may not appropriate money for a project the commission has not recommended  
47.11 funding.

47.12 ~~(o)~~ (p) A request for proposal for renewable energy generation projects must, when  
47.13 feasible and reasonable, give preference to projects that are most cost-effective for a particular  
47.14 energy source.

47.15 ~~(p)~~ (q) The ~~advisory group~~ public utility must annually, by February 15, report to the  
47.16 chairs and ranking minority members of the legislative committees with jurisdiction over  
47.17 energy policy on projects funded by the account for the prior year and all previous years.  
47.18 The report must, to the extent possible and reasonable, itemize the actual and projected  
47.19 financial benefit to the public utility's ratepayers of each project.

47.20 ~~(q)~~ (r) By February 1, 2018, and each February 1 thereafter, the commissioner of  
47.21 management and budget shall submit a written report regarding the availability of funds in  
47.22 and obligations of the account to the chairs and ranking minority members of the senate  
47.23 and house committees with jurisdiction over energy policy and finance, the public utility,  
47.24 and the advisory group.

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

47.29 ~~(s)~~ (t) Final reports, any mid-project status reports, and renewable development account  
47.30 financial reports must be posted online on a public website designated by the commissioner  
47.31 of commerce.

48.1        ~~(u)~~ (u) All final reports must acknowledge that the project was made possible in whole  
48.2 or part by the Minnesota renewable development account, noting that the account is financed  
48.3 by the public utility's ratepayers.

48.4        ~~(v)~~ (v) Of the amount in the renewable development account, priority must be given to  
48.5 making the payments required under section 216C.417.

48.6        Sec. 2. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

48.7        **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

48.8        (a) The utility subject to section 116C.779 shall operate a program to provide solar  
48.9 energy production incentives for solar energy systems of no more than a total aggregate  
48.10 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar  
48.11 energy system installed before June 1, 2018, is eligible to receive a production incentive  
48.12 under this section for any additional solar energy systems constructed at the same customer  
48.13 location, provided that the aggregate capacity of all systems at the customer location does  
48.14 not exceed 40 kilowatts.

48.15        (b) The program is funded by money withheld from transfer to the renewable development  
48.16 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must  
48.17 be placed in a separate account for the purpose of the solar energy production incentive  
48.18 program operated by the utility and not for any other program or purpose.

48.19        (c) Funds allocated to the solar energy production incentive program in 2019 and 2020  
48.20 remain available to the solar energy production incentive program.

48.21        (d) The following amounts are allocated to the solar energy production incentive program:

48.22        (1) \$10,000,000 in 2021;

48.23        (2) \$10,000,000 in 2022;

48.24        (3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~

48.25        (4) ~~\$5,000,000~~ \$10,000,000 in 2024; ~~and~~

48.26        (5) \$10,000,000 in 2025.

48.27        (e) Funds allocated to the solar energy production incentive program that have not been  
48.28 committed to a specific project at the end of a program year remain available to the solar  
48.29 energy production incentive program.

48.30        (f) Any unspent amount remaining on January 1, ~~2025~~ 2026, must be transferred to the  
48.31 renewable development account.



49.1 (g) A solar energy system receiving a production incentive under this section must be  
 49.2 sized to less than 120 percent of the customer's on-site annual energy consumption when  
 49.3 combined with other distributed generation resources and subscriptions provided under  
 49.4 section 216B.1641 associated with the premise. The production incentive must be paid for  
 49.5 ten years commencing with the commissioning of the system.

49.6 (h) The utility must file a plan to operate the program with the commissioner of  
 49.7 commerce. The utility may not operate the program until it is approved by the commissioner.  
 49.8 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or  
 49.9 less does not require the utility to file a plan with the commissioner. Any plan approved by  
 49.10 the commissioner of commerce must not provide an increased incentive scale over prior  
 49.11 years unless the commissioner demonstrates that changes in the market for solar energy  
 49.12 facilities require an increase.

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

49.14 Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

49.15 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means  
 49.16 a county, municipality, or tribal government located in Minnesota in which an electric  
 49.17 generating plant owned by a public utility, as defined in section 216B.02, that is powered  
 49.18 by coal, nuclear energy, or natural gas:

49.19 (1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation  
 49.20 of operations has been proposed in an integrated resource plan filed with the commission  
 49.21 under section 216B.2422; or (iii) whose current operating license expires within 15 years  
 49.22 of the effective date of this section; or

49.23 (2) ceased operations or was removed from the local property tax base no earlier than  
 49.24 five years before the date an application is made for a grant under this section.

49.25 Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

49.26 Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under~~  
 49.27 ~~this section to eligible communities through a competitive grant process.~~

49.28 ~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed  
 49.29 \$500,000 in any calendar year. The commissioner may accept grant applications on an  
 49.30 ongoing or rolling basis.

49.31 ~~(c)~~ (b) Grants funded with revenues from the renewable development account established  
 49.32 in section 116C.779 must be awarded to an eligible community located within the retail

50.1 electric service territory of the public utility that is subject to section 116C.779 or to an  
 50.2 eligible community in which an electric generating plant owned by that public utility is  
 50.3 located.

50.4 Sec. 5. Minnesota Statutes 2020, section 216B.096, subdivision 11, is amended to read:

50.5 Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically  
 50.6 file with the commission a report, in a format specified by the commission, specifying the  
 50.7 number of utility heating service customers whose service is disconnected or remains  
 50.8 disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers  
 50.9 remain disconnected on October ~~15~~ 1, a utility must file a report each week between  
 50.10 ~~November 1~~ October 15 and the end of the cold weather period specifying:

50.11 (1) the number of utility heating service customers that are or remain disconnected from  
 50.12 service for nonpayment; and

50.13 (2) the number of utility heating service customers that are reconnected to service each  
 50.14 week. The utility may discontinue weekly reporting if the number of utility heating service  
 50.15 customers that are or remain disconnected reaches zero before the end of the cold weather  
 50.16 period.

50.17 The data reported under this subdivision are presumed to be accurate upon submission  
 50.18 and must be made available through the commission's electronic filing system.

50.19 Sec. 6. Minnesota Statutes 2020, section 216B.24, is amended by adding a subdivision to  
 50.20 read:

50.21 Subd. 1a. **Wind or solar electric generating facilities.** Any person proposing  
 50.22 construction of a major utility facility that is a wind or solar electric generating facility  
 50.23 designed for or capable of operation at a capacity of 50 megawatts or more must, in addition  
 50.24 to any approvals required under this chapter, obtain approval from the governing board of  
 50.25 and pursuant to the land use ordinance of the county in which the proposed wind or solar  
 50.26 electric generating facility will be located.

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

50.28 Sec. 7. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

50.29 Subd. 3b. **Nuclear power plant; new construction prohibited; relicensing Additional**  
 50.30 **storage of spent nuclear fuel.** (a) ~~The commission may not issue a certificate of need for~~  
 50.31 ~~the construction of a new nuclear-powered electric generating plant.~~

51.1 ~~(b)~~ Any certificate of need for additional storage of spent nuclear fuel for a facility  
 51.2 seeking a license extension shall address the impacts of continued operations over the period  
 51.3 for which approval is sought.

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

51.5 Sec. 8. **[216B.491] DEFINITIONS.**

51.6 Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms  
 51.7 defined in this subdivision have the meanings given.

51.8 Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy,  
 51.9 letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity  
 51.10 or credit support arrangement, or other financial arrangement entered into in connection  
 51.11 with extraordinary event bonds that is designed to promote the credit quality and  
 51.12 marketability of extraordinary event bonds or to mitigate the risk of an increase in interest  
 51.13 rates.

51.14 Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary  
 51.15 event property is sold, assigned, transferred, or conveyed, other than as security, and any  
 51.16 successor to or subsequent assignee of the person.

51.17 Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event  
 51.18 bonds.

51.19 Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a  
 51.20 natural gas utility for consumption of natural gas in Minnesota.

51.21 Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from  
 51.22 unforeseen circumstances and of sufficient magnitude, as determined by the commission:

51.23 (1) to impose significant costs on customers; and

51.24 (2) for which the issuance of extraordinary event bonds in response to the event meets  
 51.25 the conditions of section 216B.492, subdivision 2, as determined by the commission.

51.26 (b) Extraordinary event includes but is not limited to a storm event or other natural  
 51.27 disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a  
 51.28 temporary significant increase in the wholesale price of natural gas.

51.29 Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity  
 51.30 undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide  
 51.31 natural gas service following one or more extraordinary events, including but not limited

52.1 to activities related to mobilization, staging, construction, reconstruction, replacement, or  
 52.2 repair of natural gas transmission, distribution, storage, or general facilities.

52.3 **Subd. 8. Extraordinary event bonds.** "Extraordinary event bonds" means low-cost  
 52.4 corporate securities, including but not limited to senior secured bonds, debentures, notes,  
 52.5 certificates of participation, certificates of beneficial interest, certificates of ownership, or  
 52.6 other evidences of indebtedness or ownership that have a scheduled maturity of no longer  
 52.7 than 30 years and a final legal maturity date that is not later than 32 years from the issue  
 52.8 date, that are rated AA or Aa2 or better by a major independent credit rating agency at the  
 52.9 time of issuance, and that are issued by a utility or an assignee under a financing order.

52.10 **Subd. 9. Extraordinary event charge.** "Extraordinary event charge" means a  
 52.11 nonbypassable charge that:

52.12 (1) is imposed on all customer bills by a utility that is the subject of a financing order  
 52.13 or the utility's successors or assignees;

52.14 (2) is separate from the utility's base rates; and

52.15 (3) provides a source of revenue solely to repay, finance, or refinance extraordinary  
 52.16 event costs.

52.17 **Subd. 10. Extraordinary event costs.** "Extraordinary event costs":

52.18 (1) means all incremental costs of extraordinary event activities that are approved by  
 52.19 the commission in a financing order issued under section 216B.492 as being:

52.20 (i) necessary to enable the utility to restore or maintain natural gas service to customers  
 52.21 after the utility experiences an extraordinary event; and

52.22 (ii) prudent and reasonable;

52.23 (2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary  
 52.24 event activities;

52.25 (3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts  
 52.26 intended to reimburse the utility for extraordinary event activities, including government  
 52.27 grants or aid of any kind;

52.28 (4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by  
 52.29 a government agency or court under a federal or state environmental statute, rule, or  
 52.30 regulation; and

52.31 (5) must be adjusted to reflect:

53.1 (i) the difference, as determined by the commission, between extraordinary event costs  
 53.2 that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

53.3 (ii) a more fair or reasonable allocation of extraordinary event costs to customers over  
 53.4 time, as expressed in a commission order.

53.5 **Subd. 11. Extraordinary event property.** "Extraordinary event property" means:

53.6 (1) all rights and interests of a utility or the utility's successor or assignee under a  
 53.7 financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments  
 53.8 to extraordinary event charges authorized under a financing order issued by the commission;  
 53.9 and

53.10 (2) all revenue, collections, claims, rights to payments, payments, money, or proceeds  
 53.11 arising from the rights and interests specified in clause (1), regardless of whether any are  
 53.12 commingled with other revenue, collections, rights to payment, payments, money, or  
 53.13 proceeds.

53.14 **Subd. 12. Extraordinary event revenue.** "Extraordinary event revenue" means revenue,  
 53.15 receipts, collections, payments, money, claims, or other proceeds arising from extraordinary  
 53.16 event property.

53.17 **Subd. 13. Financing costs.** "Financing costs" means:

53.18 (1) principal, interest, and redemption premiums that are payable on extraordinary event  
 53.19 bonds;

53.20 (2) payments required under an ancillary agreement and amounts required to fund or  
 53.21 replenish a reserve account or other accounts established under the terms of any indenture,  
 53.22 ancillary agreement, or other financing document pertaining to the bonds;

53.23 (3) other demonstrable costs related to issuing, supporting, repaying, refunding, and  
 53.24 servicing the bonds, including but not limited to servicing fees, accounting and auditing  
 53.25 fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees,  
 53.26 placement and underwriting fees, capitalized interest, rating agency fees, stock exchange  
 53.27 listing and compliance fees, security registration fees, filing fees, information technology  
 53.28 programming costs, and any other demonstrable costs necessary to otherwise ensure and  
 53.29 guarantee the timely payment of the bonds or other amounts or charges payable in connection  
 53.30 with the bonds;

53.31 (4) taxes and license fees imposed on the revenue generated from collecting an  
 53.32 extraordinary event charge;

54.1 (5) state and local taxes, including franchise, sales and use, and other taxes or similar  
 54.2 charges, including but not limited to regulatory assessment fees, whether paid, payable, or  
 54.3 accrued; and

54.4 (6) costs incurred by the commission to hire and compensate additional temporary staff  
 54.5 needed to perform the commission's responsibilities under this section and, in accordance  
 54.6 with section 216B.494, to engage specialized counsel and expert consultants experienced  
 54.7 in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

54.8 Subd. 14. **Financing order.** "Financing order" means an order issued by the commission  
 54.9 under section 216B.492 that authorizes an applicant to:

54.10 (1) issue extraordinary event bonds in one or more series;

54.11 (2) impose, charge, and collect extraordinary event charges; and

54.12 (3) create extraordinary event property.

54.13 Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event  
 54.14 bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other  
 54.15 person acting for the benefit of extraordinary event bondholders.

54.16 Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines,  
 54.17 including distribution lines, underground storage areas, liquefied natural gas facilities,  
 54.18 propane storage tanks, and other facilities the commission determines are used and useful  
 54.19 to provide natural gas service to retail and transportation customers in Minnesota.

54.20 Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary  
 54.21 event charge required to repay bonds and related costs may not be avoided by any retail  
 54.22 customer located within a utility service area.

54.23 Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved  
 54.24 by the commission, including but not limited to:

54.25 (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed  
 54.26 by a storm event;

54.27 (2) costs to decommission and restore the site of a natural gas facility damaged or  
 54.28 destroyed by an extraordinary event;

54.29 (3) other applicable capital and operating costs, accrued carrying charges, deferred  
 54.30 expenses, reductions for applicable insurance, and salvage proceeds; and

54.31 (4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing  
 54.32 debt agreements, or for waivers or consents related to existing debt agreements.

55.1 Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm,  
55.2 flood, earthquake, or other significant weather or natural disaster that causes substantial  
55.3 damage to a utility's infrastructure.

55.4 Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law  
55.5 to the rights and obligations of another legal entity as a result of bankruptcy, reorganization,  
55.6 restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or  
55.7 transfer of assets.

55.8 Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02,  
55.9 subdivision 4, that provides natural gas service to Minnesota customers. Utility includes  
55.10 the utility's successors or assignees.

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

55.12 Sec. 9. **[216B.492] FINANCING ORDER.**

55.13 Subdivision 1. **Application.** (a) A utility may file an application with the commission  
55.14 for the issuance of a financing order to enable the utility to recover extraordinary event costs  
55.15 through the issuance of extraordinary event bonds under this section.

55.16 (b) The application must include the following information, as applicable:

55.17 (1) a description of each natural gas facility to be repaired or replaced;

55.18 (2) the undepreciated value remaining in the natural gas facility whose repair or  
55.19 replacement is proposed to be financed through the issuance of bonds under sections  
55.20 216B.491 to 216B.499, and the method used to calculate the amount;

55.21 (3) the estimated amount of costs imposed on customers resulting from an extraordinary  
55.22 event that involves no physical damage to natural gas facilities;

55.23 (4) the estimated savings or estimated mitigation of rate impacts to utility customers if  
55.24 the financing order is issued as requested in the application, calculated by comparing the  
55.25 costs to customers that are expected to result from implementing the financing order and  
55.26 the estimated costs associated with implementing traditional utility financing mechanisms  
55.27 with respect to the same undepreciated balance, expressed in net present value terms;

55.28 (5) a description of (i) the nonbypassable extraordinary event charge utility customers  
55.29 would be required to pay in order to fully recover financing costs, and (ii) the method and  
55.30 assumptions used to calculate the amount;

55.31 (6) a proposed methodology to allocate the revenue requirement for the extraordinary  
55.32 event charge among the utility's customer classes;

56.1 (7) a description of a proposed adjustment mechanism to be implemented when necessary  
 56.2 to correct any overcollection or undercollection of extraordinary event charges, in order to  
 56.3 complete payment of scheduled principal and interest on extraordinary event bonds and  
 56.4 other financing costs in a timely fashion;

56.5 (8) a memorandum with supporting exhibits, from a securities firm that is experienced  
 56.6 in the marketing of bonds and that is approved by the commissioner of management and  
 56.7 budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher  
 56.8 rating or equivalent rating criteria of at least one nationally recognized securities rating  
 56.9 organization for issuances similar to the proposed extraordinary event bonds;

56.10 (9) an estimate of the timing of the issuance and the term of the extraordinary event  
 56.11 bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance  
 56.12 does not exceed 30 years;

56.13 (10) identification of plans to sell, assign, transfer, or convey, other than as a security,  
 56.14 interest in extraordinary event property, including identification of an assignee, and  
 56.15 demonstration that the assignee is a financing entity wholly owned, directly or indirectly,  
 56.16 by the utility;

56.17 (11) identification of ancillary agreements that may be necessary or appropriate;

56.18 (12) one or more alternative financing scenarios in addition to the preferred scenario  
 56.19 contained in the application;

56.20 (13) the extent of damage to the utility's infrastructure caused by an extraordinary event  
 56.21 and the estimated costs to repair or replace the damaged infrastructure;

56.22 (14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

56.23 (15) a description of the steps taken to provide customers interim natural gas service  
 56.24 while the damaged infrastructure is being repaired or replaced; and

56.25 (16) a description of the impacts on the utility's current workforce resulting from  
 56.26 implementing an infrastructure repair or replacement plan following an extraordinary event.

56.27 Subd. 2. Findings. After providing notice and holding a public hearing on an application  
 56.28 filed under subdivision 1, the commission may issue a financing order if the commission  
 56.29 finds that:

56.30 (1) the extraordinary event costs described in the application are reasonable;

56.31 (2) the proposed issuance of extraordinary event bonds and the imposition and collection  
 56.32 of extraordinary event charges:



- 57.1 (i) are just and reasonable;
- 57.2 (ii) are consistent with the public interest;
- 57.3 (iii) constitute a prudent and reasonable mechanism to finance the extraordinary event
- 57.4 costs; and
- 57.5 (iv) provide tangible and quantifiable benefits to customers that exceed the benefits that
- 57.6 would have been achieved absent the issuance of extraordinary event bonds; and
- 57.7 (3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:
- 57.8 (i) significantly lower overall costs to customers or significantly mitigate rate impacts
- 57.9 to customers relative to traditional methods of financing; and
- 57.10 (ii) achieve significant customer savings or significant mitigation of rate impacts to
- 57.11 customers, as determined by the commission in a financing order, consistent with market
- 57.12 conditions at the time of sale and the terms of the financing order.
- 57.13 Subd. 3. **Contents.** (a) A financing order issued under this section must:
- 57.14 (1) determine the maximum amount of extraordinary event costs that may be financed
- 57.15 from proceeds of extraordinary event bonds issued pursuant to the financing order;
- 57.16 (2) describe the proposed customer billing mechanism for extraordinary event charges
- 57.17 and include a finding that the mechanism is just and reasonable;
- 57.18 (3) describe the financing costs that may be recovered through extraordinary event
- 57.19 charges and the period over which the costs may be recovered, which must end no earlier
- 57.20 than the date of final legal maturity of the extraordinary event bonds;
- 57.21 (4) describe the extraordinary event property that is created and that may be used to pay,
- 57.22 and secure the payment of, the extraordinary event bonds and financing costs authorized in
- 57.23 the financing order;
- 57.24 (5) authorize the utility to finance extraordinary event costs through the issuance of one
- 57.25 or more series of extraordinary event bonds. A utility is not required to secure a separate
- 57.26 financing order for each issuance of extraordinary event bonds or for each scheduled phase
- 57.27 of the replacement of natural gas facilities approved in the financing order;
- 57.28 (6) include a formula-based mechanism that must be used to make expeditious periodic
- 57.29 adjustments to the extraordinary event charge authorized by the financing order that are
- 57.30 necessary to correct for any overcollection or undercollection, or to otherwise guarantee
- 57.31 the timely payment of extraordinary event bonds, financing costs, and other required amounts
- 57.32 and charges payable in connection with extraordinary event bonds;

58.1 (7) specify the degree of flexibility afforded to the utility in establishing the terms and  
58.2 conditions of the extraordinary event bonds, including but not limited to repayment schedules,  
58.3 expected interest rates, and other financing costs;

58.4 (8) specify that the extraordinary event bonds must be issued as soon as feasible following  
58.5 issuance of the financing order;

58.6 (9) require the utility, at the same time as extraordinary event charges are initially  
58.7 collected and independent of the schedule to close and decommission any natural gas facility  
58.8 replaced as the result of an extraordinary event, to remove the natural gas facility from the  
58.9 utility's rate base and commensurately reduce the utility's base rates;

58.10 (10) specify a future ratemaking process to reconcile any difference between the projected  
58.11 pretax costs included in the amount financed by extraordinary event bonds and the final  
58.12 actual pretax costs incurred by the utility to retire or replace the natural gas facility;

58.13 (11) specify information regarding bond issuance and repayments, financing costs,  
58.14 energy transaction charges, extraordinary event property, and related matters that the natural  
58.15 gas utility is required to provide to the commission on a schedule determined by the  
58.16 commission;

58.17 (12) allow and may require the creation of a utility's extraordinary event property to be  
58.18 conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary  
58.19 event property to an assignee and the pledge of the extraordinary event property to secure  
58.20 the extraordinary event bonds;

58.21 (13) ensure that the structuring, marketing, and pricing of extraordinary event bonds  
58.22 result in reasonable securitization bond charges and significant customer savings or rate  
58.23 impact mitigation, consistent with market conditions and the terms of the financing order;  
58.24 and

58.25 (14) specify that a utility financing the replacement of one or more natural gas facilities  
58.26 after the natural gas facilities subject to the finance order are removed from the utility's rate  
58.27 base is prohibited from:

58.28 (i) operating the natural gas facilities; or

58.29 (ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

58.30 (b) A financing order issued under this section may:

58.31 (1) include conditions different from those requested in the application that the  
58.32 commission determines are necessary to:

59.1 (i) promote the public interest; and

59.2 (ii) maximize the financial benefits or minimize the financial risks of the transaction to  
59.3 customers and to directly impacted Minnesota workers and communities; and

59.4 (2) specify the selection of one or more underwriters of the extraordinary event bonds.

59.5 Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains  
59.6 in effect until the extraordinary event bonds issued under the financing order and all financing  
59.7 costs related to the bonds have been paid in full.

59.8 (b) A financing order remains in effect and unabated notwithstanding the bankruptcy,  
59.9 reorganization, or insolvency of the utility to which the financing order applies or any  
59.10 affiliate, successor, or assignee of the utility to which the financing order applies.

59.11 (c) Subject to judicial review under section 216B.52, a financing order is irrevocable  
59.12 and is not reviewable by a future commission. The commission may not reduce, impair,  
59.13 postpone, or terminate extraordinary event charges approved in a financing order, or impair  
59.14 extraordinary event property or the collection or recovery of extraordinary event revenue.

59.15 (d) Notwithstanding paragraph (c), the commission may, on the commission's own  
59.16 motion or at the request of a utility or any other person, commence a proceeding and issue  
59.17 a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary  
59.18 event bonds issued under the original financing order if:

59.19 (1) the commission makes all of the findings specified in subdivision 2 with respect to  
59.20 the subsequent financing order; and

59.21 (2) the modification contained in the subsequent financing order does not in any way  
59.22 impair the covenants and terms of the extraordinary event bonds being refinanced, retired,  
59.23 or refunded.

59.24 Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b),  
59.25 the commission, in exercising the powers and carrying out the duties under this section, is  
59.26 prohibited from:

59.27 (1) considering extraordinary event bonds issued under this section to be debt of the  
59.28 utility other than for income tax purposes, unless it is necessary to consider the extraordinary  
59.29 event bonds to be debt in order to achieve consistency with prevailing utility debt rating  
59.30 methodologies;

59.31 (2) considering the extraordinary event charges paid under the financing order to be  
59.32 revenue of the utility;

60.1 (3) considering the extraordinary event or financing costs specified in the financing  
 60.2 order to be the regulated costs or assets of the utility; or

60.3 (4) determining that any prudent action taken by a utility that is consistent with the  
 60.4 financing order is unjust or unreasonable.

60.5 (b) Nothing in this subdivision:

60.6 (1) affects the authority of the commission to apply or modify any billing mechanism  
 60.7 designed to recover extraordinary event charges;

60.8 (2) prevents or precludes the commission from (i) investigating a utility's compliance  
 60.9 with the terms and conditions of a financing order, and (ii) requiring compliance with the  
 60.10 financing order; or

60.11 (3) prevents or precludes the commission from imposing regulatory sanctions against a  
 60.12 utility for failure to comply with the terms and conditions of a financing order or the  
 60.13 requirements of this section.

60.14 (c) The commission is prohibited from refusing to allow a utility to recover any costs  
 60.15 associated with the replacement of natural gas facilities solely because the utility has elected  
 60.16 to finance the natural gas facility replacement through a financing mechanism other than  
 60.17 extraordinary event bonds.

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

60.19 **Sec. 10. [216B.493] POSTORDER COMMISSION DUTIES.**

60.20 Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary  
 60.21 event bonds are issued, a utility subject to a financing order must file with the commission  
 60.22 the actual initial and ongoing financing costs, the final structure and pricing of the  
 60.23 extraordinary event bonds, and the actual extraordinary event charge. The commission must  
 60.24 review the prudence of the natural gas utility's actions to determine whether the actual  
 60.25 financing costs were the lowest that could reasonably be achieved given the terms of the  
 60.26 financing order and market conditions prevailing at the time of the bond's issuance.

60.27 Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this  
 60.28 section are not prudent or are inconsistent with the financing order, the commission may  
 60.29 apply any remedies available, provided that any remedy applied may not directly or indirectly  
 60.30 impair the security for the extraordinary event bonds.

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

61.1 **Sec. 11. [216B.494] USE OF OUTSIDE EXPERTS.**

61.2 (a) In carrying out the duties under this section, the commission may:

61.3 (1) contract with outside consultants and counsel experienced in securitized utility  
61.4 customer-backed bond financing similar to extraordinary event bonds; and

61.5 (2) hire and compensate additional temporary staff as needed.

61.6 Expenses incurred by the commission under this paragraph must be treated as financing  
61.7 costs and included in the extraordinary event charge. The costs incurred under clause (1)  
61.8 are not an obligation of the state and are assigned solely to the transaction.

61.9 (b) A utility presented with a written request from the commission for reimbursement  
61.10 of the commission's expenses incurred under paragraph (a), accompanied by a detailed  
61.11 account of those expenses, must remit full payment of the expenses to the commission  
61.12 within 30 days of receiving the request.

61.13 (c) If a utility's application for a financing order is denied or withdrawn for any reason  
61.14 and extraordinary event bonds are not issued, the commission's costs to retain expert  
61.15 consultants under this section must be paid by the applicant utility and are deemed to be  
61.16 prudent deferred expenses eligible for recovery in the utility's future rates.

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

61.18 **Sec. 12. [216B.495] EXTRAORDINARY EVENT CHARGE; BILLING**  
61.19 **TREATMENT.**

61.20 (a) A utility that obtains a financing order and causes extraordinary event bonds to be  
61.21 issued must:

61.22 (1) include on each customer's monthly natural gas bill:

61.23 (i) a statement that a portion of the charges represents extraordinary event charges  
61.24 approved in a financing order;

61.25 (ii) the amount and rate of the extraordinary event charge as a separate line item titled  
61.26 "extraordinary event charge"; and

61.27 (iii) if extraordinary event property has been transferred to an assignee, a statement that  
61.28 the assignee is the owner of the rights to extraordinary event charges and that the utility or  
61.29 other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

61.30 (2) file annually with the commission:

62.1 (i) a calculation of the impact of financing the retirement or replacement of natural gas  
 62.2 facilities on customer rates, itemized by customer class; and

62.3 (ii) evidence demonstrating that extraordinary event revenues are applied solely to the  
 62.4 repayment of extraordinary event bonds and other financing costs.

62.5 (b) Extraordinary event charges are nonbypassable and must be paid by all existing and  
 62.6 future customers receiving service from the utility or the utility's successors or assignees  
 62.7 under commission-approved rate schedules or special contracts.

62.8 (c) A utility's failure to comply with this section does not invalidate, impair, or affect  
 62.9 any financing order, extraordinary event property, extraordinary event charge, or  
 62.10 extraordinary event bonds, but does subject the utility to penalties under applicable  
 62.11 commission rules.

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

62.13 Sec. 13. **[216B.496] EXTRAORDINARY EVENT PROPERTY.**

62.14 Subdivision 1. **General.** (a) Extraordinary event property is an existing present property  
 62.15 right or interest in a property right, even though the imposition and collection of extraordinary  
 62.16 event charges depend on the utility collecting extraordinary event charges and on future  
 62.17 natural gas consumption. The property right or interest exists regardless of whether the  
 62.18 revenues or proceeds arising from the extraordinary event property have been billed, have  
 62.19 accrued, or have been collected.

62.20 (b) Extraordinary event property exists until all extraordinary event bonds issued under  
 62.21 a financing order are paid in full and all financing costs and other costs of the extraordinary  
 62.22 event bonds have been recovered in full.

62.23 (c) All or any portion of extraordinary event property described in a financing order  
 62.24 issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee  
 62.25 that is wholly owned, directly or indirectly, by the utility and is created for the limited  
 62.26 purpose of acquiring, owning, or administering extraordinary event property or issuing  
 62.27 extraordinary event bonds authorized by the financing order. All or any portion of  
 62.28 extraordinary event property may be pledged to secure extraordinary event bonds issued  
 62.29 under a financing order, amounts payable to financing parties and to counterparties under  
 62.30 any ancillary agreements, and other financing costs. Each transfer, sale, conveyance,  
 62.31 assignment, or pledge by a utility or an affiliate of extraordinary event property is a  
 62.32 transaction in the ordinary course of business.

63.1 (d) If a utility defaults on any required payment of charges arising from extraordinary  
 63.2 event property described in a financing order, a court, upon petition by an interested party  
 63.3 and without limiting any other remedies available to the petitioner, must order the  
 63.4 sequestration and payment of the revenues arising from the extraordinary event property to  
 63.5 the financing parties.

63.6 (e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary  
 63.7 event property specified in a financing order issued to a utility, and in the revenue and  
 63.8 collections arising from the property, is not subject to setoff, counterclaim, surcharge, or  
 63.9 defense by the utility or any other person, or in connection with the reorganization,  
 63.10 bankruptcy, or other insolvency of the utility or any other entity.

63.11 (f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other  
 63.12 insolvency proceeding; merger or acquisition; sale; other business combination; transfer by  
 63.13 operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations  
 63.14 of, and has the same duties and rights under, a financing order as the utility to which the  
 63.15 financing order applies. A successor to a utility must perform the duties and exercise the  
 63.16 rights in the same manner and to the same extent as the utility, including collecting and  
 63.17 paying to any person entitled to receive revenues, collections, payments, or proceeds of  
 63.18 extraordinary event property.

63.19 **Subd. 2. Security interests in extraordinary event property.** (a) The creation,  
 63.20 perfection, and enforcement of any security interest in extraordinary event property to secure  
 63.21 the repayment of the principal and interest on extraordinary event bonds, amounts payable  
 63.22 under any ancillary agreement, and other financing costs are governed solely by this section.

63.23 (b) A security interest in extraordinary event property is created, valid, and binding  
 63.24 when:

63.25 (1) the financing order that describes the extraordinary event property is issued;

63.26 (2) a security agreement is executed and delivered; and

63.27 (3) value is received for the extraordinary event bonds.

63.28 (c) Once a security interest in extraordinary event property is created, the security interest  
 63.29 attaches without any physical delivery of collateral or any other act. The lien of the security  
 63.30 interest is valid, binding, and perfected against all parties having claims of any kind in tort,  
 63.31 contract, or otherwise against the person granting the security interest, regardless of whether  
 63.32 the parties have notice of the lien, upon the filing of a financing statement with the secretary  
 63.33 of state.

64.1 (d) The description or indication of extraordinary event property in a transfer or security  
64.2 agreement and a financing statement is sufficient only if the description or indication refers  
64.3 to this section and the financing order creating the extraordinary event property.

64.4 (e) A security interest in extraordinary event property is a continuously perfected security  
64.5 interest and has priority over any other lien, created by operation of law or otherwise, which  
64.6 may subsequently attach to the extraordinary event property unless the holder of the security  
64.7 interest has agreed otherwise in writing.

64.8 (f) The priority of a security interest in extraordinary event property is not affected by  
64.9 the commingling of extraordinary event property or extraordinary event revenue with other  
64.10 money. An assignee, bondholder, or financing party has a perfected security interest in the  
64.11 amount of all extraordinary event property or extraordinary event revenue that is pledged  
64.12 to pay extraordinary event bonds, even if the extraordinary event property or extraordinary  
64.13 event revenue is deposited in a cash or deposit account of the utility in which the  
64.14 extraordinary event revenue is commingled with other money. Any other security interest  
64.15 that applies to the other money does not apply to the extraordinary event revenue.

64.16 (g) Neither a subsequent commission order amending a financing order under section  
64.17 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a  
64.18 financing order under section 216B.492, subdivision 3, affects the validity, perfection, or  
64.19 priority of a security interest in or transfer of extraordinary event property.

64.20 (h) A valid and enforceable security interest in extraordinary event property is perfected  
64.21 only when the security interest has attached and when a financing order has been filed with  
64.22 the secretary of state in accordance with procedures established by the secretary of state.  
64.23 The financing order must name the pledgor of the extraordinary event property as debtor  
64.24 and identify the property.

64.25 **Subd. 3. Sales of extraordinary event property.** (a) A sale, assignment, or transfer of  
64.26 extraordinary event property is an absolute transfer and true sale of, and not a pledge of or  
64.27 secured transaction relating to, the seller's right, title, and interest in, to, and under the  
64.28 extraordinary event property if the documents governing the transaction expressly state that  
64.29 the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary  
64.30 event property may be created when:

64.31 (1) the financing order creating and describing the extraordinary event property is  
64.32 effective;

64.33 (2) the documents evidencing the transfer of the extraordinary event property are executed  
64.34 and delivered to the assignee; and



65.1 (3) value is received.

65.2 (b) A transfer of an interest in extraordinary event property must be filed with the  
65.3 secretary of state against all third persons and perfected under sections 336.3-301 to  
65.4 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or  
65.5 creditors of the seller, other than creditors holding a prior security interest, ownership  
65.6 interest, or assignment in the extraordinary event property previously perfected under this  
65.7 subdivision or subdivision 2.

65.8 (c) The characterization of a sale, assignment, or transfer as an absolute transfer and  
65.9 true sale, and the corresponding characterization of the property interest of the assignee, is  
65.10 not affected or impaired by:

65.11 (1) commingling of extraordinary event revenue with other money;

65.12 (2) the retention by the seller of:

65.13 (i) a partial or residual interest, including an equity interest, in the extraordinary event  
65.14 property, whether direct or indirect, or whether subordinate or otherwise; or

65.15 (ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed  
65.16 on the collection of extraordinary event revenue;

65.17 (3) any recourse that the purchaser may have against the seller;

65.18 (4) any indemnification rights, obligations, or repurchase rights made or provided by  
65.19 the seller;

65.20 (5) an obligation of the seller to collect extraordinary event revenues on behalf of an  
65.21 assignee;

65.22 (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other  
65.23 purposes;

65.24 (7) any subsequent financing order amending a financing order under section 216B.492,  
65.25 subdivision 4, paragraph (d); or

65.26 (8) any application of an adjustment mechanism under section 216B.492, subdivision  
65.27 3, paragraph (a), clause (6).

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

66.1 Sec. 14. [216B.497] EXTRAORDINARY EVENT BONDS.

66.2 (a) Banks, trust companies, savings and loan associations, insurance companies, executors,  
66.3 administrators, guardians, trustees, and other fiduciaries may legally invest any money  
66.4 within the individual's or entity's control in extraordinary event bonds.

66.5 (b) Extraordinary event bonds issued under a financing order are not debt of or a pledge  
66.6 of the faith and credit or taxing power of the state, any agency of the state, or any political  
66.7 subdivision. Holders of extraordinary event bonds may not have taxes levied by the state  
66.8 or a political subdivision in order to pay the principal or interest on extraordinary event  
66.9 bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently  
66.10 obligate the state or a political subdivision to levy any tax or make any appropriation to pay  
66.11 principal or interest on the extraordinary event bonds.

66.12 (c) The state pledges to and agrees with holders of extraordinary event bonds, any  
66.13 assignee, and any financing parties that the state will not:

66.14 (1) take or permit any action that impairs the value of extraordinary event property; or

66.15 (2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and  
66.16 remitted for the benefit of holders of extraordinary event bonds, any assignee, and any  
66.17 financing parties until any principal, interest, and redemption premium payable on  
66.18 extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or  
66.19 financing party under an ancillary agreement are paid in full.

66.20 (d) A person who issues extraordinary event bonds may include the pledge specified in  
66.21 paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation  
66.22 related to the issuance and marketing of the extraordinary event bonds.

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

66.24 Sec. 15. [216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO  
66.25 COMMISSION REGULATION.

66.26 An assignee or financing party that is not already regulated by the commission does not  
66.27 become subject to commission regulation solely as a result of engaging in any transaction  
66.28 authorized by or described in sections 216B.491 to 216B.499.

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

67.1 Sec. 16. [216B.499] EFFECT ON OTHER LAWS.

67.2 (a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law  
 67.3 regarding the attachment, assignment, perfection, effect of perfection, or priority of any  
 67.4 security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499  
 67.5 govern.

67.6 (b) Nothing in this section precludes a utility for which the commission has initially  
 67.7 issued a financing order from applying to the commission for:

67.8 (1) a subsequent financing order amending the financing order under section 216B.492,  
 67.9 subdivision 4, paragraph (d); or

67.10 (2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding  
 67.11 series of extraordinary event bonds.

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

67.13 Sec. 17. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

67.14 Subdivision 1. **Commission approval required.** No public utility shall sell, acquire,  
 67.15 lease, or rent any plant as an operating unit or system in this state for a total consideration  
 67.16 in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or  
 67.17 transmission company operating in this state, without first being authorized so to do by the  
 67.18 commission. Upon the filing of an application for the approval and consent of the  
 67.19 commission, the commission shall investigate, with or without public hearing. The  
 67.20 commission shall hold a public hearing, upon such notice as the commission may require.  
 67.21 If the commission finds that the proposed action is consistent with the public interest, it  
 67.22 shall give its consent and approval by order in writing. In reaching its determination, the  
 67.23 commission shall take into consideration the reasonable value of the property, plant, or  
 67.24 securities to be acquired or disposed of, or merged and consolidated.

67.25 This section does not apply to the purchase of property to replace or add to the plant of  
 67.26 the public utility by construction.

67.27 Sec. 18. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended  
 67.28 to read:

67.29 Subd. 5. **Program funding.** (a) In 2022, the public utility subject to section 116C.779  
 67.30 must withhold \$8,000,000 from the transfer made under section 116C.779, subdivision 1,  
 67.31 paragraph (e), to pay for assistance provided by the program under this section. In 2024,  
 67.32 the amount that must be withheld is \$8,000,000. The money withheld under this paragraph

68.1 must be used to pay for financial assistance awarded under this section and the costs to  
 68.2 administer this section. Any money that remains unexpended ~~on June 30, 2027,~~ five years  
 68.3 after the money is withheld cancels to the renewable development account.

68.4 (b) The renewable energy credits associated with the electricity generated by a solar  
 68.5 energy system installed under this section are the property of the public utility that is subject  
 68.6 to this section for the life of the system, regardless of the duration of the financial assistance  
 68.7 provided by the public utility under this section.

68.8 Sec. 19. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

68.9 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"  
 68.10 means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland  
 68.11 that the implementing entity has determined, after review of an energy audit ~~or~~ renewable  
 68.12 energy system feasibility study, or agronomic assessment, can ~~be benefited by~~ benefit from  
 68.13 the installation of cost-effective energy improvements or land and water improvements, as  
 68.14 defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes  
 68.15 new construction.

68.16 Sec. 20. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision  
 68.17 to read:

68.18 Subd. 1b. **Definition.** For the purposes of this section, "land and water improvements"  
 68.19 means:

68.20 (1) any improvement to qualifying farmland, as defined in section 273.13, subdivision  
 68.21 23, that is permanent in nature, results in improved agricultural productivity or resiliency,  
 68.22 and reduces environmental impact; or

68.23 (2) water conservation measures, which includes permanently affixed equipment,  
 68.24 appliances, or improvements that reduce a property's water consumption or that enable the  
 68.25 property to manage water more efficiently.

68.26 Sec. 21. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

68.27 Subd. 2. **Program requirements.** A commercial PACE loan program must:

68.28 (1) impose requirements and conditions on financing arrangements to ensure timely  
 68.29 repayment;

69.1 (2) require an energy audit or renewable energy system feasibility study to be conducted  
69.2 on the qualifying commercial real property and reviewed by the implementing entity prior  
69.3 to approval of the financing;

69.4 (3) require the inspection of all installations and a performance verification of at least  
69.5 ten percent of the cost-effective energy improvements or land and water improvements  
69.6 financed by the program;

69.7 (4) not prohibit the financing of all cost-effective energy improvements or land and  
69.8 water improvements not otherwise prohibited by this section;

69.9 (5) require that all cost-effective energy improvements or land and water improvements  
69.10 be made to a qualifying commercial real property prior to, or in conjunction with, an  
69.11 applicant's repayment of financing for cost-effective energy improvements for that property;

69.12 (6) have cost-effective energy improvements or land and water improvements financed  
69.13 by the program performed by a licensed contractor as required by chapter 326B or other  
69.14 law or ordinance;

69.15 (7) require disclosures to borrowers by the implementing entity of the risks involved in  
69.16 borrowing, including the risk of foreclosure if a tax delinquency results from a default;

69.17 (8) provide financing only to those who demonstrate an ability to repay;

69.18 (9) not provide financing for a qualifying commercial real property in which the owner  
69.19 is not current on mortgage or real property tax payments;

69.20 (10) require a petition to the implementing entity by all owners of the qualifying  
69.21 commercial real property requesting collections of repayments as a special assessment under  
69.22 section 429.101;

69.23 (11) provide that payments and assessments are not accelerated due to a default and that  
69.24 a tax delinquency exists only for assessments not paid when due; ~~and~~

69.25 (12) require that liability for special assessments related to the financing runs with the  
69.26 qualifying commercial real property; and

69.27 (13) prior to financing any improvements to or imposing any assessment upon qualifying  
69.28 commercial real property, require notice to and written consent from the mortgage lender  
69.29 of any mortgage encumbering or otherwise secured by the qualifying commercial real  
69.30 property.

70.1 Sec. 22. **[216H.022] CARBON CAPTURE AND SEQUESTRATION; STATE**  
 70.2 **POLICY.**

70.3 It is the policy of the state to support the development and deployment of carbon capture  
 70.4 and sequestration technologies in Minnesota as a method of reducing greenhouse gas  
 70.5 emissions in order to achieve the state greenhouse gas emission-reduction goals established  
 70.6 under section 216H.02, subdivision 1.

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

70.8 Sec. 23. Minnesota Statutes 2020, section 237.55, is amended to read:

70.9 **237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.**

70.10 The commissioner of commerce must prepare a report for presentation to the Public  
 70.11 Utilities Commission by ~~January~~ March 31 of each year. Each report must review the  
 70.12 accessibility of telecommunications services to persons who have communication disabilities,  
 70.13 describe services provided, account for annual revenues and expenditures for each aspect  
 70.14 of the fund to date, and include predicted program future operation.

70.15 Sec. 24. **[465.485] BAN ON NATURAL GAS AND PROPANE HOOKUPS;**  
 70.16 **PROHIBITION.**

70.17 A political subdivision is prohibited from adopting an ordinance, resolution, code, policy,  
 70.18 or permit requirement that prohibits or has the effect of preventing a utility from (1)  
 70.19 connecting or reconnecting natural gas or propane to any building, or (2) supplying natural  
 70.20 gas or propane to any building or utility customer.

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

70.22 Sec. 25. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

70.23 Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota  
 70.24 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is  
 70.25 appropriated from the renewable development account established in Minnesota Statutes,  
 70.26 section 116C.779, subdivision 1, to the commissioner of employment and economic  
 70.27 development for deposit in the community energy transition account established in Minnesota  
 70.28 Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available  
 70.29 until June 30, ~~2022~~ 2025.

70.30 (b) If another bill is enacted during the 2020 regular legislative session that appropriates  
 70.31 money from the renewable development account established in Minnesota Statutes, section

71.1 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes,  
 71.2 section 116J.55, the appropriation under this subdivision cancels to the renewable  
 71.3 development account under Minnesota Statutes, section 116C.779, subdivision 1.

71.4 Sec. 26. Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1, is  
 71.5 amended to read:

71.6			<b>4,825,000</b>		<b>1,800,000</b>
71.7	Subdivision 1. <b>Total Appropriation</b>	\$	<u>4,325,000</u>	\$	<u>1,300,000</u>

71.8 The amounts that may be spent for each  
 71.9 purpose are specified in the following  
 71.10 subdivisions.

71.11 Sec. 27. **ADVANCED NUCLEAR STUDY.**

71.12 Subdivision 1. Study required. (a) The commissioner of commerce must conduct a  
 71.13 study evaluating the potential costs, benefits, and impacts of advanced nuclear technology  
 71.14 reactor power generation in Minnesota.

71.15 (b) At a minimum, the study must address the potential costs, benefits, and impacts of  
 71.16 advanced nuclear technology reactor power generation on:

71.17 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation  
 71.18 Energy Act, Laws 2007, chapter 136;

71.19 (2) system costs for ratepayers;

71.20 (3) system reliability;

71.21 (4) the environment;

71.22 (5) local jobs; and

71.23 (6) local economic development.

71.24 (c) The study must also evaluate:

71.25 (1) current Minnesota statutes and administrative rules that would require modifications  
 71.26 in order to enable the construction and operation of advanced nuclear reactors; and

71.27 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,  
 71.28 while accounting for the avoided costs that result from the closure of coal-fired plants.

72.1 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study  
 72.2 under subdivision 1 to the chairs and ranking minority members of the legislative committees  
 72.3 having jurisdiction over energy finance and policy no later than January 31, 2023.

72.4 Sec. 28. **DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED**  
 72.5 **PLANT.**

72.6 As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422,  
 72.7 subdivision 2, but no later than December 31, 2025, the public utility that owns an electric  
 72.8 generation facility that is powered by coal, scheduled for retirement in 2028, and located  
 72.9 within the St. Croix National Scenic Riverway must provide, to the extent known, the public  
 72.10 utility's plan and a detailed timeline to decommission and demolish the electric generation  
 72.11 facility and remediate pollution at the electric generation facility site. The public utility  
 72.12 must also provide a copy of the plan and timeline to the governing body of the municipality  
 72.13 where the electric generation facility is located on the same date the plan and timeline are  
 72.14 submitted to the Public Utilities Commission. If a resource plan is not filed or required  
 72.15 before December 31, 2025, the plan and timeline must be submitted to the Public Utilities  
 72.16 Commission and the municipality as a separate filing by December 31, 2025.

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

72.18 Sec. 29. **APPROPRIATIONS.**

72.19 Subdivision 1. **Advanced nuclear study.** \$150,000 in fiscal year 2023 is appropriated  
 72.20 from the general fund to the commissioner of commerce to conduct an advanced nuclear  
 72.21 study and develop a report. This is a onetime appropriation.

72.22 Subd. 2. **Solar for schools.** \$4,150,000 in fiscal year 2023 is appropriated from the  
 72.23 general fund to the commissioner of commerce to provide financial assistance to schools  
 72.24 to purchase and install solar energy generating systems under Minnesota Statutes, section  
 72.25 216C.375. This appropriation must be expended on schools located outside the electric  
 72.26 service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.  
 72.27 This appropriation is available until June 30, 2028. The base amount for fiscal year 2024  
 72.28 is \$5,700,000. The base amount for fiscal year 2025 is \$0.

72.29 Subd. 3. **Granite Falls hydroelectric generating facility.** Notwithstanding Minnesota  
 72.30 Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,290,000 is appropriated in fiscal  
 72.31 year 2023 from the renewable development account established under Minnesota Statutes,  
 72.32 section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the city  
 72.33 of Granite Falls for repair and overage costs related to the city's existing hydroelectric



73.1 generating facility. This is a onetime appropriation. Any amount of the appropriation under  
 73.2 this paragraph that remains unexpended on June 30, 2024, must be returned to the renewable  
 73.3 development account.

73.4 Subd. 4. **Community energy transition grants.** \$3,500,000 in fiscal year 2023 is  
 73.5 appropriated from the renewable development account to the commissioner of employment  
 73.6 and economic development. This appropriation is available only for grants to eligible  
 73.7 communities located within the service territory of the public utility subject to Minnesota  
 73.8 Statutes, section 116C.779. This is a onetime appropriation and is available until June 30,  
 73.9 2029.

73.10 Subd. 5. **National Sports Center solar array.** Notwithstanding Minnesota Statutes,  
 73.11 section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated  
 73.12 from the renewable development account to the Minnesota Amateur Sports Commission to  
 73.13 install solar arrays. This appropriation may be used to install solar arrays on an ice rink and  
 73.14 a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

73.15 **Sec. 30. REPEALER.**

73.16 Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85,  
 73.17 article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3,  
 73.18 subdivision 3, are repealed.

73.19 **ARTICLE 6**

73.20 **JOBS AND ECONOMIC GROWTH APPROPRIATIONS**

73.21 **Section 1. APPROPRIATIONS.**

73.22 The sums shown in the columns under "Appropriations" are added to the appropriations  
 73.23 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The  
 73.24 appropriations are from the general fund, or another named fund, and are available for the  
 73.25 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
 73.26 mean that the appropriations listed under them are available for the fiscal year ending June  
 73.27 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,  
 73.28 2022, are effective the day following final enactment.

73.29 **APPROPRIATIONS**

73.30 **Available for the Year**

73.31 **Ending June 30**

73.32 **2022**

**2023**

74.1 **Sec. 2. DEPARTMENT OF LABOR AND**  
74.2 **INDUSTRY** **\$** **-0-** **\$** **225,000**

74.3 (a) \$175,000 is to study the adequacy of  
74.4 current benefits available to disabled or injured  
74.5 police officers, firefighters, and state troopers.  
74.6 The study shall consider workers'  
74.7 compensation, disability, and pension benefits  
74.8 and the adequacy of these benefits for  
74.9 Minnesota police officers, firefighters, and  
74.10 state troopers. At least one public hearing shall  
74.11 be held. The Public Employees Retirement  
74.12 Association shall cooperate with the  
74.13 department in conducting this study. The  
74.14 department shall issue a report no later than  
74.15 January 15, 2023, to the chairs and ranking  
74.16 minority members of the standing committees  
74.17 of the house of representatives and the senate  
74.18 having jurisdiction over public safety and  
74.19 employment issues and to the chair of the  
74.20 Legislative Commission on Pensions and  
74.21 Retirement.

74.22 (b)(1) \$50,000 in fiscal year 2023 is  
74.23 appropriated from the workforce development  
74.24 fund to the commissioner of labor and industry  
74.25 for a grant to Abijah's on the Backside to  
74.26 provide equine experiential mental health  
74.27 therapy to first responders suffering from  
74.28 job-related trauma and post-traumatic stress  
74.29 disorder.

74.30 (2) For purposes of this section, a "first  
74.31 responder" is a peace officer as defined in  
74.32 Minnesota Statutes, section 626.84,  
74.33 subdivision 1, paragraph (c); a full-time  
74.34 firefighter as defined in Minnesota Statutes,  
74.35 section 299N.03, subdivision 5; or a volunteer

75.1 firefighter as defined in Minnesota Statutes,  
 75.2 section 299N.03, subdivision 7.

75.3 (3) Abijah's on the Backside must report to  
 75.4 the commissioner of labor and industry and  
 75.5 the chairs and ranking minority members of  
 75.6 the house of representatives and senate  
 75.7 committees overseeing labor and industry  
 75.8 policy and finance on the equine experiential  
 75.9 mental health therapy provided to first  
 75.10 responders under this section. The report must  
 75.11 include an overview of the program's budget,  
 75.12 a detailed explanation of program  
 75.13 expenditures, the number of first responders  
 75.14 served by the program, and a list and  
 75.15 explanation of the services provided to and  
 75.16 benefits received by program participants. An  
 75.17 initial report is due by January 15, 2023, and  
 75.18 a final report is due by January 15, 2024.

75.19 Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is  
 75.20 amended to read:

75.21	<b>Subd. 2. Business and Community Development</b>	208,015,000	44,741,000
75.22	Appropriations by Fund		
75.23	General	205,215,000	41,941,000
75.24	Remediation	700,000	700,000
75.25	Workforce		
75.26	Development	2,100,000	2,100,000

75.27 (a) \$1,787,000 each year is for the greater  
 75.28 Minnesota business development public  
 75.29 infrastructure grant program under Minnesota  
 75.30 Statutes, section 116J.431. This appropriation  
 75.31 is available until June 30, 2025.

75.32 (b) \$8,425,000 in the first year and \$1,425,000  
 75.33 in the second year are for the business  
 75.34 development competitive grant program. Of

76.1 this amount, up to five percent is for  
76.2 administration and monitoring of the business  
76.3 development competitive grant program and  
76.4 \$7,000,000 in the first year is for technical  
76.5 assistance to small businesses. Except for  
76.6 awards for technical assistance for small  
76.7 businesses, all grant awards shall be for two  
76.8 consecutive years. Grants shall be awarded in  
76.9 the first year.

76.10 (c) \$1,772,000 each year is for contaminated  
76.11 site cleanup and development grants under  
76.12 Minnesota Statutes, sections 116J.551 to  
76.13 116J.558. This appropriation is available until  
76.14 expended.

76.15 (d) \$700,000 each year is from the remediation  
76.16 fund for contaminated site cleanup and  
76.17 development grants under Minnesota Statutes,  
76.18 sections 116J.551 to 116J.558. This  
76.19 appropriation is available until expended.

76.20 (e) \$139,000 each year is for the Center for  
76.21 Rural Policy and Development.

76.22 (f) \$25,000 each year is for the administration  
76.23 of state aid for the Destination Medical Center  
76.24 under Minnesota Statutes, sections 469.40 to  
76.25 469.47.

76.26 (g) \$875,000 each year is for the host  
76.27 community economic development program  
76.28 established in Minnesota Statutes, section  
76.29 116J.548.

76.30 (h)(1) \$2,500,000 each year is for grants to  
76.31 local communities to increase the number of  
76.32 quality child care providers to support  
76.33 economic development. This appropriation is  
76.34 available through June 30, 2023. Fifty percent

77.1 of grant funds must go to communities located  
77.2 outside the seven-county metropolitan area as  
77.3 defined in Minnesota Statutes, section  
77.4 473.121, subdivision 2. In fiscal year 2024  
77.5 and beyond, the base amount is \$1,500,000.

77.6 (2) Grant recipients must obtain a 50 percent  
77.7 nonstate match to grant funds in either cash  
77.8 or in-kind contribution, unless the  
77.9 commissioner waives the requirement. Grant  
77.10 funds available under this subdivision must  
77.11 be used to implement projects to reduce the  
77.12 child care shortage in the state, including but  
77.13 not limited to funding for child care business  
77.14 start-ups or expansion, training, facility  
77.15 modifications, direct subsidies or incentives  
77.16 to retain employees, or improvements required  
77.17 for licensing, and assistance with licensing  
77.18 and other regulatory requirements. In awarding  
77.19 grants, the commissioner must give priority  
77.20 to communities that have demonstrated a  
77.21 shortage of child care providers.

77.22 (3) Within one year of receiving grant funds,  
77.23 grant recipients must report to the  
77.24 commissioner on the outcomes of the grant  
77.25 program, including but not limited to the  
77.26 number of new providers, the number of  
77.27 additional child care provider jobs created, the  
77.28 number of additional child care slots, and the  
77.29 amount of cash and in-kind local funds  
77.30 invested. Within one month of all grant  
77.31 recipients reporting on program outcomes, the  
77.32 commissioner must report the grant recipients'  
77.33 outcomes to the chairs and ranking members  
77.34 of the legislative committees with jurisdiction

78.1 over early learning and child care and  
78.2 economic development.

78.3 (i) \$1,500,000 each year is for a grant to the  
78.4 Minnesota Initiative Foundations. This  
78.5 appropriation is available until June 30, 2025.  
78.6 In fiscal year 2024 and beyond, the base  
78.7 amount is \$1,000,000. The Minnesota  
78.8 Initiative Foundations must use grant funds  
78.9 under this section to:

78.10 (1) facilitate planning processes for rural  
78.11 communities resulting in a community solution  
78.12 action plan that guides decision making to  
78.13 sustain and increase the supply of quality child  
78.14 care in the region to support economic  
78.15 development;

78.16 (2) engage the private sector to invest local  
78.17 resources to support the community solution  
78.18 action plan and ensure quality child care is a  
78.19 vital component of additional regional  
78.20 economic development planning processes;

78.21 (3) provide locally based training and technical  
78.22 assistance to rural child care business owners  
78.23 individually or through a learning cohort.  
78.24 Access to financial and business development  
78.25 assistance must prepare child care businesses  
78.26 for quality engagement and improvement by  
78.27 stabilizing operations, leveraging funding from  
78.28 other sources, and fostering business acumen  
78.29 that allows child care businesses to plan for  
78.30 and afford the cost of providing quality child  
78.31 care; and

78.32 (4) recruit child care programs to participate  
78.33 in quality rating and improvement  
78.34 measurement programs. The Minnesota

79.1 Initiative Foundations must work with local  
79.2 partners to provide low-cost training,  
79.3 professional development opportunities, and  
79.4 continuing education curricula. The Minnesota  
79.5 Initiative Foundations must fund, through local  
79.6 partners, an enhanced level of coaching to  
79.7 rural child care providers to obtain a quality  
79.8 rating through measurement programs.

79.9 (j) \$8,000,000 each year is for the Minnesota  
79.10 job creation fund under Minnesota Statutes,  
79.11 section 116J.8748. Of this amount, the  
79.12 commissioner of employment and economic  
79.13 development may use up to three percent for  
79.14 administrative expenses. This appropriation  
79.15 is available until expended.

79.16 (k) \$10,029,000 the first year and \$10,028,000  
79.17 the second year are for the Minnesota  
79.18 investment fund under Minnesota Statutes,  
79.19 section 116J.8731. Of this amount, the  
79.20 commissioner of employment and economic  
79.21 development may use up to three percent for  
79.22 administration and monitoring of the program.

79.23 In fiscal year 2024 and beyond, the base  
79.24 amount is \$12,370,000. This appropriation is  
79.25 available until expended. Notwithstanding  
79.26 Minnesota Statutes, section 116J.8731, money  
79.27 appropriated to the commissioner for the  
79.28 Minnesota investment fund may be used for  
79.29 the redevelopment program under Minnesota  
79.30 Statutes, sections 116J.575 and 116J.5761, at  
79.31 the discretion of the commissioner. Grants  
79.32 under this paragraph are not subject to the  
79.33 grant amount limitation under Minnesota  
79.34 Statutes, section 116J.8731.

80.1 (l) \$0 each year is for the redevelopment  
80.2 program under Minnesota Statutes, sections  
80.3 116J.575 and 116J.5761. In fiscal year 2024  
80.4 and beyond, the base amount is \$2,246,000.

80.5 (m) \$1,000,000 each year is for the Minnesota  
80.6 emerging entrepreneur loan program under  
80.7 Minnesota Statutes, section 116M.18. Funds  
80.8 available under this paragraph are for transfer  
80.9 into the emerging entrepreneur program  
80.10 special revenue fund account created under  
80.11 Minnesota Statutes, chapter 116M, and are  
80.12 available until expended. Of this amount, up  
80.13 to four percent is for administration and  
80.14 monitoring of the program.

80.15 (n) \$325,000 each year is for the Minnesota  
80.16 Film and TV Board. The appropriation in each  
80.17 year is available only upon receipt by the  
80.18 board of \$1 in matching contributions of  
80.19 money or in-kind contributions from nonstate  
80.20 sources for every \$3 provided by this  
80.21 appropriation, except that each year up to  
80.22 \$50,000 is available on July 1 even if the  
80.23 required matching contribution has not been  
80.24 received by that date.

80.25 (o) \$12,000 each year is for a grant to the  
80.26 Upper Minnesota Film Office.

80.27 (p) \$500,000 each year is for a grant to the  
80.28 Minnesota Film and TV Board for the film  
80.29 production jobs program under Minnesota  
80.30 Statutes, section 116U.26. This appropriation  
80.31 is available until June 30, 2025.

80.32 (q) \$4,195,000 each year is for the Minnesota  
80.33 job skills partnership program under  
80.34 Minnesota Statutes, sections 116L.01 to



81.1 116L.17. If the appropriation for either year  
81.2 is insufficient, the appropriation for the other  
81.3 year is available. This appropriation is  
81.4 available until expended.

81.5 (r) \$1,350,000 each year from the workforce  
81.6 development fund is for jobs training grants  
81.7 under Minnesota Statutes, section 116L.41.

81.8 (s) \$2,500,000 each year is for Launch  
81.9 Minnesota. This appropriation is available  
81.10 until June 30, 2025. The base in fiscal year  
81.11 2026 is \$0. Of this amount:

81.12 (1) \$1,500,000 each year is for innovation  
81.13 grants to eligible Minnesota entrepreneurs or  
81.14 start-up businesses to assist with their  
81.15 operating needs;

81.16 (2) \$500,000 each year is for administration  
81.17 of Launch Minnesota; and

81.18 (3) \$500,000 each year is for grantee activities  
81.19 at Launch Minnesota.

81.20 (t) \$1,148,000 the first year is for a grant to  
81.21 the Northeast Entrepreneur Fund, a small  
81.22 business administration microlender and  
81.23 community development financial institution  
81.24 operating in northern Minnesota. Grant funds  
81.25 must be used as capital for accessing  
81.26 additional federal lending for small businesses  
81.27 impacted by COVID-19 and must be returned  
81.28 to the commissioner for deposit in the general  
81.29 fund if the Northeast Entrepreneur Fund fails  
81.30 to secure such federal funds before January 1,  
81.31 2022.

81.32 (u) \$80,000,000 the first year is for the Main  
81.33 Street Economic Revitalization Loan Program.  
81.34 Of this amount, up to \$300,000 is for the

82.1 commissioner's administration and monitoring  
82.2 of the program. This appropriation is available  
82.3 until June 30, 2025.

82.4 (v) \$70,000,000 the first year is for the Main  
82.5 Street COVID-19 Relief Grant Program. Of  
82.6 this amount, up to:

82.7 (1) \$34,950,000 is for grants to the Minnesota  
82.8 Initiative Foundations to serve businesses  
82.9 outside of the metropolitan area as defined in  
82.10 Minnesota Statutes, section 473.121,  
82.11 subdivision 2;

82.12 (2) \$34,950,000 is for grants to partner  
82.13 organizations to serve businesses inside the  
82.14 metropolitan area as defined in Minnesota  
82.15 Statutes, section 473.121, subdivision 2; and

82.16 (3) \$100,000 is for the commissioner's  
82.17 administration and monitoring of the program.

82.18 (w) \$250,000 each year is for the publication,  
82.19 dissemination, and use of labor market  
82.20 information under Minnesota Statutes, section  
82.21 116J.401.

82.22 (x) \$500,000 each year is for the airport  
82.23 infrastructure renewal (AIR) grant program  
82.24 under Minnesota Statutes, section 116J.439.  
82.25 In awarding grants with this appropriation, the  
82.26 commissioner must prioritize eligible  
82.27 applicants that did not receive a grant pursuant  
82.28 to the appropriation in Laws 2019, First  
82.29 Special Session chapter 7, article 1, section 2,  
82.30 subdivision 2, paragraph (q).

82.31 (y) \$750,000 each year is from the workforce  
82.32 development fund for grants to the  
82.33 Neighborhood Development Center for small  
82.34 business programs, including:

83.1 (1) training, lending, and business services;

83.2 (2) model outreach and training in greater

83.3 Minnesota; and

83.4 (3) development of new business incubators.

83.5 This is a onetime appropriation.

83.6 (z) \$5,000,000 in the first year is for a grant

83.7 to Lake of the Woods County for the

83.8 forgivable loan program for remote

83.9 recreational businesses. This appropriation is

83.10 available until April 1, ~~2022~~ 2023.

83.11 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

83.12 Sec. 4. Laws 2021, First Special Session chapter 10, article 1, section 5, is amended to

83.13 read:

83.14 Sec. 5. **BUREAU OF MEDIATION SERVICES \$ 2,370,000 \$ 2,415,000**

83.15 (a) \$125,000 each year is for purposes of the

83.16 Public Employment Relations Board under

83.17 Minnesota Statutes, section 179A.041. This

83.18 is a onetime appropriation.

83.19 ~~(b) \$68,000 each year is for grants to area~~

83.20 ~~labor management committees. Grants may~~

83.21 ~~be awarded for a 12-month period beginning~~

83.22 ~~July 1 each year. Any unencumbered balance~~

83.23 ~~remaining at the end of the first year does not~~

83.24 ~~cancel but is available for the second year.~~

83.25 ~~(c)~~ \$47,000 each year is for rulemaking,

83.26 staffing, and other costs associated with peace

83.27 officer grievance procedures.

83.28 Sec. 5. **MINNESOTA INVESTMENT FUND AND MINNESOTA JOB CREATION**

83.29 **FUND REQUIREMENTS EXTENSIONS.**

83.30 Notwithstanding any other law to the contrary, a recipient of a Minnesota Investment

83.31 Fund grant under Minnesota Statutes, section 116J.8731, or a recipient of a Minnesota Job

84.1 Creation Fund grant under Minnesota Statutes, section 116J.8748, who is unable to meet  
 84.2 the minimum capital investment requirements, wage, or minimum job creation goals or  
 84.3 requirements provided in a business subsidy agreement, as applicable, during or within the  
 84.4 12-month period following a peacetime emergency related to the COVID-19 pandemic shall  
 84.5 be granted an extension until December 31, 2023, to meet those capital investment, wage,  
 84.6 or job creation goals or requirements before the grant must be repaid.

84.7 **EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

84.8 **ARTICLE 7**  
 84.9 **DEED POLICY**

84.10 Section 1. Minnesota Statutes 2020, section 116J.035, is amended by adding a subdivision  
 84.11 to read:

84.12 Subd. 7a. **Competitive grants.** The commissioner shall, when awarding competitive  
 84.13 grants to organizations for the purpose of providing job training, give priority to programs  
 84.14 or organizations that focus job training in high-wage, high-demand careers. For purposes  
 84.15 of this subdivision, "high-wage, high-demand" has the meaning given in section 116L.99.

84.16 Sec. 2. Minnesota Statutes 2020, section 116J.55, subdivision 6, is amended to read:

84.17 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3  
 84.18 must be used only to:

84.19 (1) award grants to eligible communities under this section; and

84.20 (2) reimburse the department's reasonable costs to administer this section, up to a  
 84.21 maximum of five percent of the appropriation made to the commissioner under this section.  
 84.22 The commissioner may transfer part of the allowable administrative portion of this  
 84.23 appropriation to the Environmental Quality Board to assist communities with regulatory  
 84.24 coordination, and dedicated technical assistance on conversion for these communities.

84.25 (b) An eligible community awarded a grant under this section may use the grant to plan  
 84.26 for or address the economic and social impacts on the eligible community of the electric  
 84.27 generating plant's cessation of operations, including but not limited to land use studies,  
 84.28 economic planning, researching, planning, and implementing activities and impact studies  
 84.29 and other planning activities enabling communities to become shovel-ready and support  
 84.30 the transition from power plants to other economic activities to minimize the negative  
 84.31 impacts of power plant closures on tax revenues and jobs designed to:

85.1 (1) assist workers at the plant find new employment, including worker retraining and  
85.2 developing small business start-up skills;

85.3 (2) increase the eligible community's property tax base; and

85.4 (3) develop alternative economic development strategies to attract new employers to the  
85.5 eligible community.

85.6 Sec. 3. Minnesota Statutes 2020, section 116J.552, subdivision 6, is amended to read:

85.7 Subd. 6. **Municipality.** "Municipality" means the statutory or home rule charter city,  
85.8 town, federally recognized Tribe, or, in the case of unorganized territory, the county in  
85.9 which the site is located.

85.10 Sec. 4. Minnesota Statutes 2020, section 116J.8747, subdivision 2, is amended to read:

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

85.13 (1) the program must be operated by a nonprofit corporation that qualifies under section  
85.14 501(c)(3) of the Internal Revenue Code;

85.15 (2) the program may spend up to \$5,500 in total training per participant;

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

85.17 (i) basic skills, such as reading, writing, financial literacy, digital literacy, mathematics,  
85.18 and communications;

85.19 (ii) long-term plans for success including participant coaching for two years after  
85.20 placement;

85.21 (iii) soft skills, including skills critical to success on the job; and

85.22 (iv) access to internships, technology training, personal and emotional intelligence skill  
85.23 development, and other support services;

85.24 (4) the program may provide ~~income supplements not to exceed \$2,000 per participant~~  
85.25 support services, when needed, to participants for housing, counseling, tuition, and other  
85.26 basic needs;

85.27 (5) individuals served by the program must be 18 years of age or older as of the date of  
85.28 enrollment, and have household income in the six months immediately before entering the  
85.29 program that is 200 percent or less of the federal poverty guideline for Minnesota, based  
85.30 on family size; and

86.1 (6) the program must be certified by the commissioner of employment and economic  
86.2 development as meeting the requirements of this subdivision.

86.3 Sec. 5. Minnesota Statutes 2020, section 116J.8747, subdivision 3, is amended to read:

86.4 Subd. 3. **Graduation and retention grant requirements.** (a) For purposes of a placement  
86.5 grant under this section, a qualified graduate is a graduate of a job training program qualifying  
86.6 under subdivision 2 who is placed in a job in Minnesota that pays at least the current state  
86.7 minimum wage. To qualify for a retention grant under this section for a retention fee, a job  
86.8 in which the graduate is retained must pay at least the current state minimum wage.

86.9 (b) Programs are limited to one placement and one retention payment for a qualified  
86.10 graduate in a performance program.

86.11 Sec. 6. Minnesota Statutes 2020, section 116J.8747, subdivision 4, is amended to read:

86.12 Subd. 4. **Duties of program.** (a) A program certified by the commissioner under  
86.13 subdivision 2 must comply with the requirements of this subdivision.

86.14 (b) A program must maintain and provide upon request records for each qualified  
86.15 graduate. The records must include information sufficient to verify the graduate's eligibility  
86.16 under this section, identify the employer, and describe the job including its compensation  
86.17 rate ~~and~~, benefits, and average hours per week.

86.18 (c) A program is subject to the reporting requirements under section 116L.98.

86.19 Sec. 7. Minnesota Statutes 2020, section 116J.993, subdivision 3, is amended to read:

86.20 Subd. 3. **Business subsidy.** "Business subsidy" or "subsidy" means a state or local  
86.21 government agency grant, contribution of personal property, real property, infrastructure,  
86.22 the principal amount of a loan at rates below those commercially available to the recipient,  
86.23 any reduction or deferral of any tax or any fee, any guarantee of any payment under any  
86.24 loan, lease, or other obligation, or any preferential use of government facilities given to a  
86.25 business.

86.26 The following forms of financial assistance are not a business subsidy:

86.27 (1) a business subsidy of less than \$150,000;

86.28 (2) assistance that is generally available to all businesses or to a general class of similar  
86.29 businesses, such as a line of business, size, location, or similar general criteria;

- 87.1 (3) public improvements to buildings or lands owned by the state or local government  
87.2 that serve a public purpose and do not principally benefit a single business or defined group  
87.3 of businesses at the time the improvements are made;
- 87.4 (4) redevelopment property polluted by contaminants as defined in section 116J.552,  
87.5 subdivision 3;
- 87.6 (5) assistance provided for the sole purpose of renovating old or decaying building stock  
87.7 or bringing it up to code and assistance provided for designated historic preservation districts,  
87.8 provided that the assistance is equal to or less than 50 percent of the total cost;
- 87.9 (6) assistance to provide job readiness and training services if the sole purpose of the  
87.10 assistance is to provide those services;
- 87.11 (7) assistance for housing;
- 87.12 (8) assistance for pollution control or abatement, including assistance for a tax increment  
87.13 financing hazardous substance subdistrict as defined under section 469.174, subdivision  
87.14 23;
- 87.15 (9) assistance for energy conservation;
- 87.16 (10) tax reductions resulting from conformity with federal tax law;
- 87.17 (11) workers' compensation and unemployment insurance;
- 87.18 (12) benefits derived from regulation;
- 87.19 (13) indirect benefits derived from assistance to educational institutions;
- 87.20 (14) funds from bonds allocated under chapter 474A, bonds issued to refund outstanding  
87.21 bonds, and bonds issued for the benefit of an organization described in section 501(c)(3)  
87.22 of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- 87.23 (15) assistance for a collaboration between a Minnesota higher education institution and  
87.24 a business;
- 87.25 (16) assistance for a tax increment financing soils condition district as defined under  
87.26 section 469.174, subdivision 19;
- 87.27 (17) redevelopment when the recipient's investment in the purchase of the site and in  
87.28 site preparation is 70 percent or more of the assessor's current year's estimated market value;
- 87.29 (18) general changes in tax increment financing law and other general tax law changes  
87.30 of a principally technical nature;

88.1 (19) federal assistance until the assistance has been repaid to, and reinvested by, the  
88.2 state or local government agency;

88.3 (20) funds from dock and wharf bonds issued by a seaway port authority;

88.4 (21) business loans and loan guarantees of \$150,000 or less;

88.5 (22) federal loan funds provided through the United States Department of Commerce,  
88.6 Economic Development Administration, Department of the Treasury; and

88.7 (23) property tax abatements granted under section 469.1813 to property that is subject  
88.8 to valuation under Minnesota Rules, chapter 8100.

88.9 Sec. 8. Minnesota Statutes 2020, section 116L.04, subdivision 1a, is amended to read:

88.10 Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for  
88.11 developing programs which assist in the transition of persons from welfare to work and  
88.12 assist individuals at or below 200 percent of the federal poverty guidelines. The program  
88.13 is to be operated by the board. The board shall consult and coordinate with program  
88.14 administrators at the Department of Employment and Economic Development to design  
88.15 and provide services for temporary assistance for needy families recipients.

88.16 Pathways grants-in-aid may be awarded to educational or other nonprofit training  
88.17 institutions or to workforce development intermediaries for education and training programs  
88.18 and services supporting education and training programs that serve eligible recipients.

88.19 Preference shall be given to projects that:

88.20 (1) provide employment with benefits paid to employees;

88.21 (2) provide employment where there are defined career paths for trainees;

88.22 (3) pilot the development of an educational pathway that can be used on a continuing  
88.23 basis for transitioning persons from welfare to work; and

88.24 (4) demonstrate the active participation of Department of Employment and Economic  
88.25 Development workforce centers, Minnesota State College and University institutions and  
88.26 other educational institutions, and local welfare agencies.

88.27 Pathways projects must demonstrate the active involvement and financial commitment  
88.28 of participating private business businesses, Tribal-owned businesses, and municipal and  
88.29 county hospitals. Pathways projects must be matched with cash or in-kind contributions on  
88.30 at least a one-half-to-one ratio by participating private business businesses, Tribal-owned  
88.31 businesses, and municipal or county hospitals.



89.1 A single grant to any one institution shall not exceed \$400,000. A portion of a grant may  
89.2 be used for preemployment training.

89.3 Sec. 9. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

89.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
89.5 the meanings given them in this subdivision.

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

89.7 (c) "Dislocated worker" means an individual who is a resident of Minnesota at the time  
89.8 employment ceased or was working in the state at the time employment ceased and:

89.9 (1) has been permanently separated or has received a notice of permanent separation  
89.10 from public or private sector employment and is eligible for or has exhausted entitlement  
89.11 to unemployment benefits, and is unlikely to return to the previous industry or occupation;

89.12 (2) has been long-term unemployed and has limited opportunities for employment or  
89.13 reemployment in the same or a similar occupation in the area in which the individual resides,  
89.14 including older individuals who may have substantial barriers to employment by reason of  
89.15 age;

89.16 (3) has been terminated or has received a notice of termination of employment as a result  
89.17 of a plant closing or a substantial layoff at a plant, facility, or enterprise;

89.18 (4) has been self-employed, including farmers and ranchers, and is unemployed as a  
89.19 result of general economic conditions in the community in which the individual resides or  
89.20 because of natural disasters;

89.21 (5) is a veteran as defined by section 197.447, has been discharged or released from  
89.22 active duty under honorable conditions within the last 36 months, and (i) is unemployed or  
89.23 (ii) is employed in a job verified to be below the skill level and earning capacity of the  
89.24 veteran;

89.25 (6) is an individual determined by the United States Department of Labor to be covered  
89.26 by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331,  
89.27 as amended; or

89.28 (7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent  
89.29 a substantial number of years in the home providing homemaking service and (i) has been  
89.30 dependent upon the financial support of another; and ~~now~~ due to divorce, separation, death,  
89.31 or disability of that person, must now find employment to self support; or (ii) derived the  
89.32 substantial share of support from public assistance on account of dependents in the home

90.1 and no longer receives such support. To be eligible under this clause, the support must have  
 90.2 ceased while the worker resided in Minnesota.

90.3 For the purposes of this section, "dislocated worker" does not include an individual who  
 90.4 was an employee, at the time employment ceased, of a political committee, political fund,  
 90.5 principal campaign committee, or party unit, as those terms are used in chapter 10A, or an  
 90.6 organization required to file with the federal elections commission.

90.7 (d) "Eligible organization" means a state or local government unit, nonprofit organization,  
 90.8 community action agency, business organization or association, or labor organization.

90.9 (e) "Plant closing" means the announced or actual permanent shutdown of a single site  
 90.10 of employment, or one or more facilities or operating units within a single site of  
 90.11 employment.

90.12 (f) "Substantial layoff" means a permanent reduction in the workforce, which is not a  
 90.13 result of a plant closing, and which results in an employment loss at a single site of  
 90.14 employment during any 30-day period for at least 50 employees excluding those employees  
 90.15 that work less than 20 hours per week.

90.16 Sec. 10. **[116L.36] REQUIREMENTS FOR GRANTS TO NONPROFIT**  
 90.17 **ORGANIZATIONS.**

90.18 Subdivision 1. **Purpose.** In order to ensure that grants are awarded to mission-centered  
 90.19 and fiscally responsible grantees, a nonprofit organization that is a recipient of a future or  
 90.20 past grant or direct appropriation made by or through the department must provide  
 90.21 information to the commissioner as specified in this section.

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

90.24 (b) "Compensation" means salary, bonuses, the present value of stock options, the value  
 90.25 of employee benefits, employer contributions to retirement or deferred compensation plans  
 90.26 on behalf of the officer or employee, and any other compensation or benefit of value.

90.27 (c) "Highly compensated employee" means an employee of a nonprofit organization  
 90.28 with estimated annual wages that:

90.29 (1) are greater than 80 percent of the governor's annual salary; and

90.30 (2) are equal to, or greater than, 80 percent of the estimated annual wages of the second  
 90.31 highest paid employee of the nonprofit organization.

91.1 (d) "Nonprofit organization" means an organization described in United States Code,  
 91.2 title 26, section 501(c)(3), and is exempt from income tax under United States Code, title  
 91.3 26, section 501(a).

91.4 Subd. 3. **Requirements.** (a) By September 1 of each year, a nonprofit organization that  
 91.5 is recipient of a future or past grant or direct appropriation made by or through the department  
 91.6 must provide the following to the commissioner:

91.7 (1) number of and compensation for any highly compensated employees of the nonprofit  
 91.8 organization;

91.9 (2) administrative expenses of the nonprofit organization for the previous three years as  
 91.10 evidenced by the nonprofit's Internal Revenue Service Form 990;

91.11 (3) total functional expenses, including the nonprofit's program expenses, administrative  
 91.12 expenses, and fundraising expenses, for the previous three years; and

91.13 (4) revenue for the previous three years.

91.14 (b) A nonprofit organization that has been in operation for fewer than three years shall  
 91.15 submit the data required under paragraph (a), clauses (2) to (4), for the time period since  
 91.16 the inception of the nonprofit organization.

91.17 Subd. 4. **Reporting to legislature.** Beginning February 15, 2023, and each year thereafter,  
 91.18 the commissioner must submit a combined report containing the information provided by  
 91.19 the grant recipients to the chairs and ranking minority members of the legislative committees  
 91.20 and budget divisions with jurisdiction over economic development. The commissioner shall  
 91.21 also include in the report a calculation of each nonprofit's percentage of expenses and a  
 91.22 revenue and expenses trend comparison over the previous three years.

91.23 Sec. 11. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

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

91.26 (b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates  
 91.27 awarded in recognition of an individual's attainment of measurable technical or occupational  
 91.28 skills necessary to obtain employment or advance with an occupation. This definition does  
 91.29 not include ~~certificates awarded by workforce investment boards or~~ work-readiness  
 91.30 certificates.

91.31 (c) "Exit" means to have not received service under a workforce program for 90  
 91.32 consecutive calendar days. The exit date is the last date of service.

92.1 (d) "Net impact" means the use of matched control groups and regression analysis to  
 92.2 estimate the impacts attributable to program participation net of other factors, including  
 92.3 observable personal characteristics and economic conditions.

92.4 (e) "Pre-enrollment" means the period of time before an individual was enrolled in a  
 92.5 workforce program.

92.6 Sec. 12. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

92.7 Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December  
 92.8 31 of each even-numbered year, the commissioner must report to the chairs and ranking  
 92.9 minority members of the committees of the house of representatives and the senate having  
 92.10 jurisdiction over economic development and workforce policy and finance the following  
 92.11 information separately for each of the previous two fiscal or calendar years, for each program  
 92.12 subject to the requirements of subdivision 1:

92.13 (1) the total number of participants enrolled;

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

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

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

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

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

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

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

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

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

92.29 (11) the total number of participants employed during eight consecutive quarters  
 92.30 immediately following the quarter of exit, by industry;

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

93.3 (13) the total cost of the program;

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

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

93.6 (16) the administrative cost of the program.

93.7 (b) The report to the legislature must contain:

93.8 (1) participant information by education level, race and ethnicity, gender, and geography,  
93.9 and a comparison of exited participants who completed training and those who did not; and

93.10 (2) a list of any grant recipients that did not satisfy all of the reporting requirements of  
93.11 this section for the applicable reporting period.

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

93.14 Sec. 13. Minnesota Statutes 2020, section 181.032, is amended to read:

93.15 **181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE**  
93.16 **TO EMPLOYEE.**

93.17 (a) At the end of each pay period, the employer shall provide each employee an earnings  
93.18 statement, either in writing or by electronic means, covering that pay period. An employer  
93.19 who chooses to provide an earnings statement by electronic means must provide employee  
93.20 access to an employer-owned computer during an employee's regular working hours to  
93.21 review and print earnings statements.

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

93.24 (1) the name of the employee;

93.25 (2) the rate or rates of pay and basis thereof, including whether the employee is paid by  
93.26 hour, shift, day, week, salary, piece, commission, or other method;

93.27 (3) allowances, if any, claimed pursuant to permitted meals and lodging;

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

93.29 (5) the total amount of gross pay earned by the employee during that period;

93.30 (6) a list of deductions made from the employee's pay;

- 94.1 (7) the net amount of pay after all deductions are made;
- 94.2 (8) the date on which the pay period ends;
- 94.3 (9) the legal name of the employer and the operating name of the employer if different  
94.4 from the legal name;
- 94.5 (10) the physical address of the employer's main office or principal place of business,  
94.6 and a mailing address if different; and
- 94.7 (11) the telephone number of the employer.
- 94.8 (c) An employer must provide earnings statements to an employee in writing, rather  
94.9 than by electronic means, if the employer has received at least 24 hours notice from an  
94.10 employee that the employee would like to receive earnings statements in written form. Once  
94.11 an employer has received notice from an employee that the employee would like to receive  
94.12 earnings statements in written form, the employer must comply with that request on an  
94.13 ongoing basis.
- 94.14 (d) ~~At~~ Within seven days of the start of employment, an employer shall provide each  
94.15 employee a ~~written~~ notice, either in writing or by electronic means, containing the following  
94.16 information:
- 94.17 (1) the rate or rates of pay and basis thereof, including whether the employee is paid by  
94.18 the hour, shift, day, week, salary, piece, commission, or other method, and the specific  
94.19 application of any additional rates, as well as any pay schedule or range of pay for an  
94.20 employee who is reasonably expected to move between job duties, classifications, and pay  
94.21 or benefit structures in their day-to-day duties;
- 94.22 (2) allowances, if any, claimed pursuant to permitted meals and lodging;
- 94.23 (3) paid vacation, sick time, or other paid time-off accruals and terms of use;
- 94.24 (4) the employee's employment status and whether the employee is exempt from minimum  
94.25 wage, overtime, and other provisions of chapter 177, and on what basis;
- 94.26 (5) a list of deductions that may be made from the employee's pay;
- 94.27 (6) the number of days in the pay period, the regularly scheduled pay day, and the pay  
94.28 day on which the employee will receive the first payment of wages earned;
- 94.29 (7) the legal name of the employer and the operating name of the employer if different  
94.30 from the legal name;

95.1 (8) the physical address of the employer's main office or principal place of business, and  
 95.2 a mailing address if different; ~~and~~

95.3 (9) the telephone number of the employer; and

95.4 (10) a checkbox to indicate whether a hiring employer is a staffing agency and space  
 95.5 for a staffing agency to indicate the initial entity for which the employee will perform work.

95.6 (e) The employer must keep a copy of the notice under paragraph (d) signed by each  
 95.7 employee acknowledging receipt of the notice. An employee's signature on the notice  
 95.8 constitutes acknowledgment of receipt of the notice and does not create a contract. For the  
 95.9 purposes of this paragraph, "signed" means a written signature or an electronic signature  
 95.10 as defined in section 325L.02. The notice must be provided to each employee in English.  
 95.11 The English version of the notice must include text provided by the commissioner that  
 95.12 informs employees that they may request, by indicating on the form, the notice be provided  
 95.13 in a particular language. If requested, the employer shall provide the notice in the language  
 95.14 requested by the employee. The commissioner shall make available to employers the text  
 95.15 to be included in the English version of the notice required by this section and assist  
 95.16 employers with translation of the notice in the languages requested by their employees.

95.17 (f) The notice requirement under paragraph (d) is satisfied for an employee if the  
 95.18 employee has received all of the information required in paragraph (d) specific to the  
 95.19 employee through a collective bargaining agreement, employee handbook, offer letter, or  
 95.20 a combination of those documents. In such an instance, the employer must retain a record  
 95.21 or listing of the referenced documents that satisfied the notice requirement in paragraph (d).

95.22 (g) An employer must provide the employee any ~~written~~ changes to the information  
 95.23 contained in the notice under paragraph (d) ~~prior to the,~~ either in writing or by electronic  
 95.24 means, by the date of the employee's next earnings statement following the date the changes  
 95.25 take effect. The notice of changes to information under this paragraph does not require a  
 95.26 signature by the employee acknowledging receipt. The requirements of this paragraph are  
 95.27 satisfied if the changes to information are contained on the employee's next earnings  
 95.28 statement.

95.29 (h) Notice is not required under paragraph (g) to an employee for discretionary pay. For  
 95.30 the purposes of this section, "discretionary pay" means compensation paid by the employer  
 95.31 for which the amount and timing are not disclosed in advance by the employer and are at  
 95.32 the employer's sole discretion.

96.1 (i) Notice is not required under paragraph (g) to an employee employed by a staffing  
96.2 agency upon subsequent job placements following the initial placement by the staffing  
96.3 agency.

96.4 (j) The commissioner shall issue a written warning to an employer upon the first finding  
96.5 of a violation or violations of the notice requirements found in paragraphs (d) to (g). For  
96.6 purposes of this paragraph, discovery by the commissioner of more than one violation of  
96.7 the notice requirements under paragraphs (d) to (g) at the same employer during the same  
96.8 investigation shall be considered a single violation.

96.9 Sec. 14. Minnesota Statutes 2020, section 181.101, is amended to read:

96.10 **181.101 WAGES; HOW OFTEN PAID.**

96.11 (a) Except as provided in paragraph (b), every employer must pay all wages, including  
96.12 salary, earnings, and gratuities earned by an employee at least once every 31 days and all  
96.13 commissions earned by an employee at least once every three months, on a regular payday  
96.14 designated in advance by the employer regardless of whether the employee requests payment  
96.15 at longer intervals. Unless paid earlier, the wages earned during the first half of the first  
96.16 31-day pay period become due on the first regular payday following the first day of work.  
96.17 If wages or commissions earned are not paid, the commissioner of labor and industry or the  
96.18 commissioner's representative may serve a demand for payment on behalf of an employee.  
96.19 In addition to other remedies under section 177.27, if payment of wages is not made within  
96.20 ten days of service of the demand, the commissioner may charge and collect the wages  
96.21 earned at the employee's rate or rates of pay or at the rate or rates required by law, including  
96.22 any applicable statute, regulation, rule, ordinance, government resolution or policy, contract,  
96.23 or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the  
96.24 employee's average daily earnings at the same rate or rates, not exceeding 20 days total,  
96.25 for each day beyond the ten-day limit following the demand. If payment of commissions is  
96.26 not made within ten days of service of the demand, the commissioner may charge and collect  
96.27 the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid,  
96.28 not exceeding 20 days total, for each day beyond the ten-day limit. Money collected by the  
96.29 commissioner must be paid to the employee concerned. This section does not prevent an  
96.30 employee from prosecuting a claim for wages. This section does not prevent a school district,  
96.31 other public school entity, or other school, as defined under section 120A.22, from paying  
96.32 any wages earned by its employees during a school year on regular paydays in the manner  
96.33 provided by an applicable contract or collective bargaining agreement, or a personnel policy  
96.34 adopted by the governing board. For purposes of this section, "employee" includes a person



97.1 who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes  
 97.2 of this section, wages are earned on the day an employee works. This section provides a  
 97.3 substantive right for employees to the payment of wages, including salary, earnings, and  
 97.4 gratuities, as well as commissions, in addition to the right to be paid at certain times.

97.5 (b) An employer of a volunteer firefighter, as defined in section 424A.001, subdivision  
 97.6 10, a member of an organized first responder squad that is formally recognized by a political  
 97.7 subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages  
 97.8 earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant  
 97.9 at least once every 31 days, unless the employer and the employee mutually agree upon  
 97.10 payment at longer intervals.

97.11 Sec. 15. Minnesota Statutes 2020, section 268.18, is amended by adding a subdivision to  
 97.12 read:

97.13 Subd. 7. Overpayments; report to legislature. Beginning January 15, 2023, and each  
 97.14 January 15 thereafter, the commissioner must report to the chairs and ranking minority  
 97.15 members of the committees of the house of representatives and the senate having jurisdiction  
 97.16 over unemployment insurance for the previous calendar year, to the extent that the following  
 97.17 information is not classified as not public under chapter 13 or 268:

97.18 (1) the number and total dollar amount of overpayments made by the department,  
 97.19 regardless of whether the improper recipient of the overpayment was identified by the  
 97.20 department;

97.21 (2) the number and total dollar amount of overpayments as a percentage of total claims  
 97.22 paid over the same period;

97.23 (3) for each overpayment, the dollar amount of the overpayment and information as to  
 97.24 whether the overpayment was made due to:

97.25 (i) misrepresentation by a legitimate applicant;

97.26 (ii) fraud attempt through identity theft; or

97.27 (iii) other fraud attempt by an unidentified imposter or hijacker;

97.28 (4) information regarding the number of suspected fraud attempts by imposters or  
 97.29 hijackers that the department identified and stopped prior to issuing an overpayment; and

97.30 (5) the number of times the department referred fraud cases to law enforcement.

98.1 Sec. 16. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1,  
98.2 is amended to read:

98.3 Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program  
98.4 to make forgivable loans to eligible remote recreational businesses that experienced a loss  
98.5 in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021,  
98.6 and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March  
98.7 15, 2020.

98.8 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

98.9 Sec. 17. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3,  
98.10 is amended to read:

98.11 Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business  
98.12 must:

98.13 (1) have been in operation on March 15, ~~2020~~ 2021;

98.14 (2) show that the closure and ongoing COVID-19-related requirements of the United  
98.15 States and Canadian border restricted the ability of American customers to access the location  
98.16 of the remote recreational business; and

98.17 (3) not have received a grant under the Main Street COVID-19 relief grant program.

98.18 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

98.19 Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4,  
98.20 is amended to read:

98.21 Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures  
98.22 for soliciting and reviewing applications for loans under this section.

98.23 (b) Loans shall be made before ~~April 1, 2022~~ December 30, 2022. Any funds not spent  
98.24 by April 1, ~~2022~~ 2023, must be returned to the state general fund.

98.25 (c) If there are insufficient funds to fund all claims in full, the county shall distribute  
98.26 funds on a prorated basis.

98.27 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

99.1 Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5,  
99.2 is amended to read:

99.3 Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75  
99.4 percent of the remote recreational business's gross annual receipts for fiscal ~~year~~ years 2020  
99.5 and 2021, not to exceed \$500,000 per eligible remote recreational business.

99.6 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

99.7 Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7,  
99.8 is amended to read:

99.9 Subd. 7. **Report to legislature.** By ~~January 15~~ April 30, 2023, Lake of the Woods County  
99.10 shall report to the legislative committees with jurisdiction over economic development  
99.11 policy and finance on the loans provided to remote recreational businesses under this section.

99.12 **EFFECTIVE DATE.** This section is effective retroactively from March 31, 2022.

99.13 Sec. 21. **PAY FOR PERFORMANCE.**

99.14 Of the amounts appropriated in law from the workforce development fund for grants to  
99.15 pass-through entities, 25 percent in fiscal year 2024 and 50 percent in fiscal year 2025 are  
99.16 for performance grants under Minnesota Statutes, section 116J.8747.

99.17 **ARTICLE 8**

99.18 **LABOR APPROPRIATIONS**

99.19 Section 1. **APPROPRIATIONS.**

99.20 The sums shown in the columns under "Appropriations" are added to the appropriations  
99.21 in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The  
99.22 appropriations are from the general fund, or another named fund, and are available for the  
99.23 fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article  
99.24 mean that the appropriations listed under them are available for the fiscal year ending June  
99.25 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30,  
99.26 2022, are effective the day following final enactment.

99.27 **APPROPRIATIONS**

99.28 **Available for the Year**

99.29 **Ending June 30**

99.30 **2022**

**2023**

99.31 **Sec. 2. DEPARTMENT OF LABOR AND**  
99.32 **INDUSTRY**

100.1	<u>Subdivision 1. <b>Total Appropriation</b></u>		<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>25,000</u>
100.2	<u>Appropriations by Fund</u>					
100.3		<u>2022</u>		<u>2023</u>		
100.4	<u>General</u>		<u>-0-</u>			<u>25,000</u>
100.5	<u>Subd. 2. <b>Workforce Development Initiatives</b></u>				<u>-0-</u>	<u>25,000</u>
100.6	<u>\$25,000 in fiscal year 2023 is for youth skills</u>					
100.7	<u>training grants under Minnesota Statutes,</u>					
100.8	<u>section 175.46. This is a onetime</u>					
100.9	<u>appropriation.</u>					

## ARTICLE 9

### LABOR AND INDUSTRY POLICY AND TECHNICAL

100.12 Section 1. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

100.13 Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require  
 100.14 that any parking ramp or other parking facility constructed in accordance with the code  
 100.15 include an appropriate number of spaces suitable for the parking of motor vehicles having  
 100.16 a capacity of seven to 16 persons and which are principally used to provide prearranged  
 100.17 commuter transportation of employees to or from their place of employment or to or from  
 100.18 a transit stop authorized by a local transit authority.

100.19 (b) **Smoke detection devices.** The code must require that all dwellings, lodging houses,  
 100.20 apartment houses, and hotels as defined in section 299F.362 comply with the provisions of  
 100.21 section 299F.362.

100.22 (c) **Doors in nursing homes and hospitals.** The State Building Code may not require  
 100.23 that each door entering a sleeping or patient's room from a corridor in a nursing home or  
 100.24 hospital with an approved complete standard automatic fire extinguishing system be  
 100.25 constructed or maintained as self-closing or automatically closing.

100.26 (d) **Child care facilities in churches; ground level exit.** A licensed day care center  
 100.27 serving fewer than 30 preschool age persons and which is located in a belowground space  
 100.28 in a church building is exempt from the State Building Code requirement for a ground level  
 100.29 exit when the center has more than two stairways to the ground level and its exit.

100.30 (e) **Family and group family day care.** Until the legislature enacts legislation specifying  
 100.31 appropriate standards, the definition of dwellings constructed in accordance with the  
 100.32 International Residential Code as adopted as part of the State Building Code applies to

101.1 family and group family day care homes licensed by the Department of Human Services  
101.2 under Minnesota Rules, chapter 9502.

101.3 (f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code  
101.4 may require stairways of existing multiple dwelling buildings of two stories or less to be  
101.5 enclosed.

101.6 (g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of  
101.7 the code may prohibit double cylinder dead bolt locks in existing single-family homes,  
101.8 townhouses, and first floor duplexes used exclusively as a residential dwelling. Any  
101.9 recommendation or promotion of double cylinder dead bolt locks must include a warning  
101.10 about their potential fire danger and procedures to minimize the danger.

101.11 (h) **Relocated residential buildings.** A residential building relocated within or into a  
101.12 political subdivision of the state need not comply with the State Energy Code or section  
101.13 326B.439 provided that, where available, an energy audit is conducted on the relocated  
101.14 building.

101.15 (i) **Automatic garage door opening systems.** The code must require all residential  
101.16 buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82  
101.17 and 325F.83.

101.18 (j) **Exterior wood decks, patios, and balconies.** The code must permit the decking  
101.19 surface and upper portions of exterior wood decks, patios, and balconies to be constructed  
101.20 of (1) heartwood from species of wood having natural resistance to decay or termites,  
101.21 including redwood and cedars, (2) grades of lumber which contain sapwood from species  
101.22 of wood having natural resistance to decay or termites, including redwood and cedars, or  
101.23 (3) treated wood. The species and grades of wood products used to construct the decking  
101.24 surface and upper portions of exterior decks, patios, and balconies must be made available  
101.25 to the building official on request before final construction approval.

101.26 (k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be  
101.27 imposed by municipalities under the State Building Code, except as required under section  
101.28 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92  
101.29 administered by the Department of Labor and Industry. All data regarding the material  
101.30 production processes, including the bioprocess system's structural design and layout, are  
101.31 nonpublic data as provided by section 13.7911.

101.32 (l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in  
101.33 geographic areas of the state where the code did not generally apply as of April 1, 2008, to  
101.34 the same extent that ungraded lumber could be used in that area before April 1, 2008.

102.1 (m) **Window cleaning safety.** ~~The code must require the installation of dedicated~~  
 102.2 ~~anchorages for the purpose of suspended window cleaning on (1) new buildings four stories~~  
 102.3 ~~or greater; and (2) buildings four stories or greater, only on those areas undergoing~~  
 102.4 ~~reconstruction, alteration, or repair that includes the exposure of primary structural~~  
 102.5 ~~components of the roof~~ The code shall incorporate by reference nationally recognized safety  
 102.6 standards for window cleaning developed by the International Window Cleaning Association  
 102.7 (IWCA) and approved by the American National Standards Institute (ANSI). Such standards  
 102.8 shall require that window cleaning safety features be provided for all windows on:

102.9 (1) new buildings where determined by the standard; and

102.10 (2) existing buildings undergoing alterations where both of the following conditions are  
 102.11 met:

102.12 (i) the windows do not currently have safe window cleaning features; and

102.13 (ii) the proposed work area being altered can include provisions for safe window cleaning.

102.14 ~~The commissioner may waive all or a portion of the requirements of this paragraph~~  
 102.15 ~~related to reconstruction, alteration, or repair, if the installation of dedicated anchorages~~  
 102.16 ~~would not result in significant safety improvements due to limits on the size of the project,~~  
 102.17 ~~or other factors as determined by the commissioner.~~

102.18 Sec. 2. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended  
 102.19 to read:

102.20 Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required  
 102.21 in section 326B.107 include:

102.22 (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality;  
 102.23 and

102.24 (2) the surcharge required by section 326B.148.

102.25 (b) The total valuation and fee schedule is:

102.26 (1) \$1 to \$500, ~~\$29.50~~ \$21;

102.27 (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100  
 102.28 or fraction thereof, to and including \$2,000;

102.29 (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each  
 102.30 additional \$1,000 or fraction thereof, to and including \$25,000;

103.1 (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each  
 103.2 additional \$1,000 or fraction thereof, to and including \$50,000;

103.3 (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for  
 103.4 each additional \$1,000 or fraction thereof, to and including \$100,000;

103.5 (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for  
 103.6 each additional \$1,000 or fraction thereof, to and including \$500,000;

103.7 (7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25  
 103.8 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

103.9 (8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75  
 103.10 for each additional \$1,000 or fraction thereof.

103.11 (c) Other inspections and fees are:

103.12 (1) inspections outside of normal business hours (minimum charge two hours), \$63.25  
 103.13 per hour;

103.14 (2) reinspection fees, \$63.25 per hour;

103.15 (3) inspections for which no fee is specifically indicated (minimum charge one-half  
 103.16 hour), \$63.25 per hour; and

103.17 (4) additional plan review required by changes, additions, or revisions to approved plans  
 103.18 (minimum charge one-half hour), \$63.25 per hour.

103.19 (d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25,  
 103.20 then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment,  
 103.21 hourly wages, and fringe benefits of the employees involved.

103.22 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2021.

103.23 Sec. 3. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

103.24 Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical  
 103.25 transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters,  
 103.26 hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not  
 103.27 include external temporary material lifts or temporary construction personnel elevators at  
 103.28 sites of construction of new or remodeled buildings.

104.1 Sec. 4. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision  
104.2 to read:

104.3 Subd. 5a. **Platform lift.** As used in this chapter, "platform lift" means a powered hoisting  
104.4 and lowering device designed to transport mobility-impaired persons on a guided platform.

104.5 Sec. 5. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

104.6 **Subd. 13. Exemption from licensing.** (a) Employees of a licensed elevator contractor  
104.7 or licensed limited elevator contractor are not required to hold or obtain a license under this  
104.8 section or be provided with direct supervision by a licensed master elevator constructor,  
104.9 licensed limited master elevator constructor, licensed elevator constructor, or licensed limited  
104.10 elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts.  
104.11 Unlicensed employees performing elevator work under this exemption must comply with  
104.12 subdivision 5. This exemption does not include the installation, maintenance, repair, or  
104.13 replacement of electrical wiring for elevator equipment.

104.14 (b) Contractors or individuals shall not be required to hold or obtain a license under this  
104.15 section when performing work on:

104.16 (1) conveyors, including vertical reciprocating conveyors;

104.17 (2) platform lifts not covered under section 326B.163, subdivision 5a; or

104.18 (3) dock levelers.

104.19 Sec. 6. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

104.20 **Subd. 7. Exemptions from inspections.** Installations, materials, or equipment shall not  
104.21 be subject to inspection under sections 326B.31 to 326B.399:

104.22 (1) when owned or leased, operated and maintained by any employer whose maintenance  
104.23 electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing  
104.24 electrical maintenance work only as defined by rule;

104.25 (2) when owned or leased, and operated and maintained by any electrical,  
104.26 communications, or railway utility, cable communications company as defined in section  
104.27 238.02, or telephone company as defined under section 237.01, in the exercise of its utility,  
104.28 antenna, or telephone function; and

104.29 (i) are used exclusively for the generations, transformation, distribution, transmission,  
104.30 load control, or metering of electric current, or the operation of railway signals, or the  
104.31 transmission of intelligence, and do not have as a principal function the consumption or use



105.1 of electric current by or for the benefit of any person other than such utility, cable  
 105.2 communications company, or telephone company; and

105.3 (ii) are generally accessible only to employees of such utility, cable communications  
 105.4 company, or telephone company or persons acting under its control or direction; and

105.5 (iii) are not on the load side of the service point or point of entrance for communication  
 105.6 systems;

105.7 (3) when used in the street lighting operations of an electrical utility;

105.8 (4) when used as outdoor area lights which are owned and operated by an electrical  
 105.9 utility and which are connected directly to its distribution system and located upon the  
 105.10 utility's distribution poles, and which are generally accessible only to employees of such  
 105.11 utility or persons acting under its control or direction;

105.12 (5) when the installation, material, and equipment are in facilities subject to the  
 105.13 jurisdiction of the federal Mine Safety and Health Act; or

105.14 (6) when the installation, material, and equipment is part of an elevator installation for  
 105.15 which the elevator contractor, licensed under section 326B.164, is required to obtain a permit  
 105.16 from the authority having jurisdiction as provided by section 326B.184, and the inspection  
 105.17 has been or will be performed by an elevator inspector certified and licensed by the  
 105.18 department. This exemption shall apply only to installations, material, and equipment  
 105.19 permitted or required to be connected on the load side of the disconnecting means required  
 105.20 for elevator equipment under National Electrical Code Article 620, and elevator  
 105.21 communications and alarm systems within the machine room, car, hoistway, or elevator  
 105.22 lobby.

105.23 Sec. 7. Minnesota Statutes 2020, section 326B.36, is amended by adding a subdivision to  
 105.24 read:

105.25 Subd. 8. **Electric utility exemptions; additional requirements.** For exemptions to  
 105.26 inspections exclusively for load control allowed for electrical utilities under subdivision 7,  
 105.27 clause (2), item (i), the following requirements apply:

105.28 (1) the exempted work must be conducted by a Class A electrical contractor. If a  
 105.29 deficiency or code violation is found when conducting such work, the electrical contractor  
 105.30 or other designee must report the deficiency or code violation to the electric utility; and

105.31 (2) the electric utility must, within ten calendar days of discovering the need for repair,  
 105.32 inform the owner:

- 106.1 (i) of the location of the materials or equipment that need repair;  
 106.2 (ii) that a permit is required for the work; and  
 106.3 (iii) of a time frame for the repair to be complete, not to exceed six months, after which  
 106.4 time the utility must disconnect the materials or equipment.

106.5 Sec. 8. Minnesota Statutes 2020, section 326B.42, subdivision 1b, is amended to read:

106.6 Subd. 1b. **Backflow prevention rebuilder.** (a) A "backflow prevention rebuilder" is an  
 106.7 individual who is qualified by training prescribed by the Plumbing Board and possesses a  
 106.8 master or journeyworker plumber's license to engage in the testing, maintenance, and  
 106.9 rebuilding of ~~reduced-pressure zone type~~ backflow prevention assemblies as regulated by  
 106.10 the Plumbing Code.

106.11 (b) For the purposes of this section and section 326B.437, a backflow prevention rebuilder  
 106.12 who is qualified by training prescribed by the Plumbing Board and engages in rebuilding  
 106.13 of backflow prevention assemblies limited to systems used to apply water to soil and plant  
 106.14 materials or provide water to landscape features is exempt from the licensing requirements  
 106.15 of paragraph (a). Nothing in this paragraph allows an employee or delegate of the backflow  
 106.16 prevention rebuilder or tester to engage in the testing, maintenance, and rebuilding of  
 106.17 backflow prevention assemblies as regulated by the Plumbing Code, unless the employee  
 106.18 or delegate has the requisite backflow prevention tester or rebuilder training prescribed by  
 106.19 the Plumbing Board.

106.20 Sec. 9. Minnesota Statutes 2020, section 326B.42, subdivision 1c, is amended to read:

106.21 Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual  
 106.22 who is qualified by training prescribed by the Plumbing Board to engage in the testing of  
 106.23 ~~reduced-pressure zone type~~ backflow prevention assemblies as regulated by the Plumbing  
 106.24 Code.

106.25 Sec. 10. Minnesota Statutes 2020, section 326B.437, is amended to read:

106.26 **326B.437 REDUCED-PRESSURE BACKFLOW PREVENTION REBUILDERS**  
 106.27 **AND TESTERS.**

106.28 (a) No person shall perform or offer to perform the installation, ~~maintenance, repair, or~~  
 106.29 ~~replacement, or rebuilding of reduced-pressure zone~~ of backflow prevention assemblies  
 106.30 unless the person obtains a plumbing contractor's license. An individual shall not engage  
 106.31 in the testing, maintenance, ~~repair,~~ or rebuilding of ~~reduced-pressure zone~~ backflow

107.1 prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified  
107.2 by the commissioner as a backflow prevention rebuilder.

107.3 (b) An individual shall not engage in testing of a ~~reduced-pressure-zone~~ backflow  
107.4 prevention assembly, as regulated by the Plumbing Code, unless the individual possesses  
107.5 a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow  
107.6 prevention tester.

107.7 (c) Certificates are issued for an initial period of two years and must be renewed every  
107.8 two years thereafter for as long as the certificate holder ~~installs, maintains, repairs,~~ rebuilds,  
107.9 or tests ~~reduced-pressure-zone~~ backflow prevention assemblies. For purposes of calculating  
107.10 fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester  
107.11 certificate shall be considered an entry level license.

107.12 ~~(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related~~  
107.13 ~~to the certification of backflow prevention rebuilders and backflow prevention testers.~~  
107.14 ~~Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month~~  
107.15 ~~limitation under section 14.125, this authority expires on December 31, 2014.~~

107.16 ~~(e) The department shall recognize certification programs that are a minimum of 16~~  
107.17 ~~contact hours and include the passage of an examination. The examination must consist of~~  
107.18 ~~a practical and a written component. This paragraph expires when the Plumbing Board~~  
107.19 ~~adopts rules under paragraph (d).~~

107.20 Sec. 11. Minnesota Statutes 2020, section 326B.46, subdivision 2, is amended to read:

107.21 Subd. 2. **Bond; insurance.** (a) The bond and insurance requirements of paragraphs (b)  
107.22 and (c) apply to each person who performs or offers to perform plumbing work within the  
107.23 state, including any person who offers to perform or performs sewer or water service  
107.24 installation or backflow prevention testing or rebuilding as described under subdivision 1b,  
107.25 paragraph (b), without a contractor's license. If the person performs or offers to perform  
107.26 any plumbing work other than sewer or water service installation or backflow prevention  
107.27 testing or rebuilding as described under subdivision 1b, paragraph (b), then the person must  
107.28 meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's  
107.29 license.

107.30 (b) Each person who performs or offers to perform plumbing work within the state shall  
107.31 give and maintain bond to the state in the penal sum of at least \$25,000 for (1) all plumbing  
107.32 work entered into within the state or (2) all plumbing work and subsurface sewage treatment  
107.33 work entered into within the state. The bond must comply with section 326B.0921. If the

108.1 bond is for both plumbing work and subsurface sewage treatment work, the bond must  
108.2 comply with the requirements of this section and section 115.56, subdivision 2, paragraph  
108.3 (e).

108.4 (c) Each person who performs or offers to perform plumbing work within the state shall  
108.5 have and maintain in effect public liability insurance, including products liability insurance  
108.6 with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage  
108.7 insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed  
108.8 to do business in the state of Minnesota. Each person who performs or offers to perform  
108.9 plumbing work within the state shall maintain on file with the commissioner a certificate  
108.10 evidencing the insurance. In the event of a policy cancellation, the insurer shall send written  
108.11 notice to the commissioner at the same time that a cancellation request is received from or  
108.12 a notice is sent to the insured.

108.13 Sec. 12. Laws 2021, First Special Session chapter 10, article 3, section 14, subdivision 1,  
108.14 is amended to read:

108.15 Subdivision 1. **License required.** (a) No individual shall engage in or work at the business  
108.16 of a master plumber, restricted master plumber, journeyworker plumber, and restricted  
108.17 journeyworker plumber unless licensed to do so by the commissioner. A license is not  
108.18 required for individuals performing building sewer or water service installation who have  
108.19 completed pipe laying training as prescribed by the commissioner. A license is not required  
108.20 for individuals servicing or installing a commercial chemical dispensing system or servicing  
108.21 or replacing a commercial dishwashing machine, including connecting a commercial chemical  
108.22 dispensing system or commercial dishwashing machine to a water line or drain line, provided  
108.23 that:

108.24 (1) the individual servicing or installing the commercial chemical dispensing system or  
108.25 servicing or replacing the commercial dishwashing machine is an employee of the  
108.26 manufacturer or distributor of the commercial chemical dispensing system or commercial  
108.27 dishwashing machine;

108.28 (2) the individual servicing or installing the commercial chemical dispensing system or  
108.29 servicing or replacing the commercial dishwashing machine has a minimum of 25 hours of  
108.30 classroom or laboratory training, a minimum of 20 hours of in-field training with a qualified  
108.31 technician on the types of systems being installed, followed by a minimum of 100 hours of  
108.32 supervised field experience. The training and experience curriculum required under this  
108.33 clause must be approved by the commissioner, in consultation with the manufacturer or

109.1 distributor, but the commissioner shall not require training or experience hours in excess  
109.2 of the amounts specified in this clause;

109.3 (3) the manufacturer or distributor of the commercial chemical dispensing system or  
109.4 commercial dishwashing machine must meet the insurance requirements of section 326B.46,  
109.5 subdivision 2, paragraph (c);

109.6 (4) the connection is a push fit fitting, compression fitting, or threaded pipe fitting to an  
109.7 existing water line or drain, which has been initially installed by a licensed plumber; and

109.8 (5) the commercial chemical dispensing system complies with ASSE 1055 or contains  
109.9 code-approved integral backflow protection.

109.10 A license is not required for individuals performing backflow prevention rebuilding as  
109.11 described under subdivision 1b, paragraph (b), provided that the individual: (1) has completed  
109.12 backflow prevention rebuilder training as prescribed by the Plumbing Board; and (2) has  
109.13 obtained a nationally recognized third-party accredited professional irrigation certification  
109.14 and any such professional certifications have been approved by the commissioner.

109.15 A master plumber may also work as a journeyworker plumber, a restricted journeyworker  
109.16 plumber, and a restricted master plumber. A journeyworker plumber may also work as a  
109.17 restricted journeyworker plumber. Anyone not so licensed may do plumbing work which  
109.18 complies with the provisions of the minimum standards prescribed by the Plumbing Board  
109.19 on premises or that part of premises owned and actually occupied by the worker as a  
109.20 residence, unless otherwise forbidden to do so by a local ordinance.

109.21 (b) No person shall engage in the business of planning, superintending, or installing  
109.22 plumbing or shall install plumbing in connection with the dealing in and selling of plumbing  
109.23 material and supplies unless at all times a licensed master plumber, or in cities and towns  
109.24 with a population of fewer than 5,000 according to the last federal census, a restricted master  
109.25 plumber, who shall be responsible for proper installation, is in charge of the plumbing work  
109.26 of the person.

109.27 (c) Except as provided in subdivision 1a, no person shall perform or offer to perform  
109.28 plumbing work with or without compensation unless the person obtains a contractor's license.  
109.29 A contractor's license does not of itself qualify its holder to perform the plumbing work  
109.30 authorized by holding a master, journeyworker, restricted master, or restricted journeyworker  
109.31 license.

110.1 Sec. 13. LAWS CHAPTER 32 EFFECTIVE DATE.

110.2 Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2,  
110.3 sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter  
110.4 32, article 1, section 1, applies to appointments made on or after that date.

**136A.29 POWERS; DUTIES.**

Subd. 4. **Mutual agreement; staff, equipment, office space.** By mutual agreement between the authority and the office, authority staff employees may also be members of the office staff. By mutual agreement, authority employees may be provided office space in the office of the Office of Higher Education, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the office, the authority may maintain an office at such place or places as it may designate.

**136F.03 CANDIDATE ADVISORY COUNCIL.**

Subdivision 1. **Purpose.** A Candidate Advisory Council for the board shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the board.

Subd. 2. **Membership.** The advisory council consists of 24 members. Twelve members are appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. Twelve members are appointed by the speaker of the house. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

Subd. 3. **Duties.** (a) The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

(b) Selection criteria developed under this section must include the requirement that trustees represent diversity in geography, gender, race, occupation, and experience.

(c) Selection criteria developed under this section must also include the identification of the membership needs of the board for individual skills relevant to the governance of the Minnesota State Colleges and Universities and the needs for certain individual characteristics that include geographic location, gender, race, occupation, and experience.

Subd. 4. **Recommendations.** Except for seats filled under sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor and to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance. The governor is not bound by these recommendations.

Subd. 5. **Support services.** The Legislative Coordinating Commission shall provide administrative and support services for the advisory council.

APPENDIX  
Repealed Minnesota Session Laws: S4091-2

***Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9***

Sec. 9. Laws 2005, chapter 97, article 10, section 3, is amended to read:

Sec. 3. **SUNSET.**

Sections 1 and 2 shall expire on June 30, 2023.

***Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3***

Sec. 3. **DEPARTMENT OF COMMERCE**

**Subd. 3. Third-Party Evaluator**

\$500,000 each year is for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the Renewable Development Advisory Group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (1). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any money appropriated under this paragraph that is unexpended at the end of a fiscal year cancels to the renewable development account.