

1.1 **Senator Marty from the Committee on Finance, to which was referred**

1.2 **H.F. No. 2310:** A bill for an act relating to state government; appropriating money for
 1.3 environment, natural resources, climate, and energy; modifying prior appropriations;
 1.4 providing for and modifying disposition of certain receipts; modifying and establishing
 1.5 duties, authorities, and prohibitions regarding environment and natural resources; modifying
 1.6 and creating environment and natural resources programs; modifying and creating grant
 1.7 programs; reestablishing Legislative Water Commission; modifying Legislative-Citizen
 1.8 Commission on Minnesota Resources; modifying permit and environmental review
 1.9 requirements; modifying requirements for recreational vehicles; modifying state trail and
 1.10 state park provisions; establishing Lowland Conifer Carbon Reserve; modifying forestry
 1.11 provisions; modifying game and fish provisions; modifying regulation of farmed Cervidae;
 1.12 regulating certain seeds and pesticides; modifying Water Law; providing appointments;
 1.13 modifying and providing for fees; establishing a biennial budget for Department of
 1.14 Commerce, Public Utilities Commission, and energy, climate, and clean energy activities;
 1.15 establishing and modifying provisions governing energy, clean and renewable energy,
 1.16 energy storage, energy use and conservation, and utility regulation; providing for enhanced
 1.17 transportation electrification; adding and modifying provisions governing Public Utilities
 1.18 Commission proceedings; establishing various clean and renewable energy grant programs;
 1.19 making technical changes; requiring reports; requiring rulemaking; amending Minnesota
 1.20 Statutes 2022, sections 13.643, subdivision 6; 16A.151, subdivision 2; 16A.152, subdivision
 1.21 2; 16B.325; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision
 1.22 1; 17.118, subdivision 2; 18B.01, subdivision 31; 18B.09, subdivision 2, by adding a
 1.23 subdivision; 21.82, subdivision 3; 21.86, subdivision 2; 35.155, subdivisions 1, 4, 10, 11,
 1.24 12, by adding subdivisions; 35.156, subdivision 2, by adding subdivisions; 84.02, by adding
 1.25 a subdivision; 84.0274, subdivision 6; 84.0276; 84.415, subdivisions 3, 6, 7, by adding a
 1.26 subdivision; 84.788, subdivision 5; 84.82, subdivision 2, by adding a subdivision; 84.821,
 1.27 subdivision 2; 84.84; 84.86, subdivision 1; 84.87, subdivision 1; 84.90, subdivision 7;
 1.28 84.992, subdivisions 2, 5; 84D.02, subdivision 3; 84D.10, subdivision 3; 84D.15, subdivision
 1.29 2; 85.015, subdivision 10; 85.052, subdivision 6; 85.055, subdivision 1; 85A.01, subdivision
 1.30 1; 86B.005, by adding a subdivision; 86B.313, subdivision 4; 86B.415, subdivisions 1, 1a,
 1.31 2, 3, 4, 5, 7; 89A.03, subdivision 5; 90.181, subdivision 2; 97A.015, subdivision 51, by
 1.32 adding a subdivision; 97A.031; 97A.126; 97A.137, subdivision 3; 97A.315, subdivision 1;
 1.33 97A.401, subdivision 1, by adding a subdivision; 97A.405, subdivision 5; 97A.421,
 1.34 subdivision 3; 97A.473, subdivisions 2, 2a, 2b, 5, 5a; 97A.474, subdivision 2; 97A.475,
 1.35 subdivisions 6, 7, 8, 10, 10a, 11, 12, 13, 41; 97B.031, subdivision 1; 97B.071; 97B.301,
 1.36 subdivision 6; 97B.516; 97B.645, subdivision 9; 97B.668; 97C.087, subdivision 2; 97C.315,
 1.37 subdivision 1; 97C.345, subdivision 1; 97C.355, by adding a subdivision; 97C.371,
 1.38 subdivisions 1, 2, 4; 97C.395, subdivision 1; 97C.601, subdivision 1; 97C.605, subdivisions
 1.39 1, 2c, 3; 97C.611; 97C.836; 103B.101, subdivisions 2, 9, 16, by adding a subdivision;
 1.40 103B.103; 103C.501, subdivisions 1, 4, 5, 6, by adding a subdivision; 103D.605, subdivision
 1.41 5; 103F.505; 103F.511, by adding subdivisions; 103G.005, by adding subdivisions;
 1.42 103G.2242, subdivision 1; 103G.271, subdivision 6; 103G.287, subdivisions 2, 3; 103G.299,
 1.43 subdivisions 1, 2, 5, 10; 103G.301, subdivisions 2, 6, 7; 115.01, by adding subdivisions;
 1.44 115.03, subdivision 1, by adding a subdivision; 115.061; 115A.03, by adding a subdivision;
 1.45 115A.1415; 115A.565, subdivisions 1, 3; 115B.17, subdivision 14; 115B.171, subdivision
 1.46 3; 115B.52, subdivision 4; 116.06, subdivision 1, by adding subdivisions; 116.07, subdivision
 1.47 6, by adding subdivisions; 116C.03, subdivision 2a; 116C.779, subdivision 1; 116C.7792;
 1.48 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11; 116P.15; 116P.16; 116P.18;
 1.49 168.1295, subdivision 1; 168.27, by adding a subdivision; 171.07, by adding a subdivision;
 1.50 216B.096, subdivision 11; 216B.1611, by adding a subdivision; 216B.164, by adding a
 1.51 subdivision; 216B.1641; 216B.1645, subdivision 4; 216B.17, subdivision 1; 216B.2402,
 1.52 subdivision 16; 216B.2422, subdivision 7; 216B.2425, subdivision 3; 216B.243, subdivision
 1.53 8, as amended; 216B.50, subdivision 1; 216B.62, subdivision 3b; 216C.05, subdivision 2;
 1.54 216C.08; 216C.09; 216C.264, subdivision 5, by adding subdivisions; 216C.375; 216E.01,
 1.55 subdivision 6, by adding a subdivision; 216E.03, subdivisions 1, 3, 5, as amended, 6, 7, as
 1.56 amended; 216E.04, subdivision 2, as amended; 216E.05, subdivision 2; 216E.06; 216E.07;
 1.57 216E.10; 216H.02, subdivision 1; 237.55; 297A.94; 325E.046; 325F.072, subdivisions 1,

2.1 3, by adding a subdivision; 326B.106, subdivision 1; 373.475; 515B.2-103; 515B.3-102;
 2.2 Laws 2005, chapter 97, article 10, section 3, as amended; Laws 2022, chapter 94, section
 2.3 2, subdivisions 5, 8, 9; proposing coding for new law in Minnesota Statutes, chapters 3;
 2.4 16B; 18B; 21; 84; 86B; 88; 97A; 97B; 97C; 103B; 103E; 103F; 103G; 115A; 116; 116C;
 2.5 116P; 123B; 216B; 216C; 325E; 473; 500; repealing Minnesota Statutes 2022, sections
 2.6 16B.24, subdivision 13; 84.033, subdivision 3; 84.944, subdivision 3; 86B.101; 86B.305;
 2.7 86B.313, subdivisions 2, 3; 97A.145, subdivision 2; 97C.605, subdivisions 2, 2a, 2b, 5;
 2.8 103C.501, subdivisions 2, 3; 115.44, subdivision 9; 116.011; 216B.16, subdivision 10;
 2.9 216C.376; 325E.389; 325E.3891; Minnesota Rules, parts 6100.5000, subparts 3, 4, 5;
 2.10 6100.5700, subpart 4; 6115.1220, subpart 8; 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8;
 2.11 8400.0500; 8400.0550; 8400.0600, subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650;
 2.12 8400.1700; 8400.1750; 8400.1800; 8400.1900.

2.13 Reports the same back with the recommendation that the bill be amended as follows:

2.14 Delete everything after the enacting clause and insert:

2.15 **"ARTICLE 1**

2.16 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

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

2.18 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 2.19 and for the purposes specified in this article. The appropriations are from the general fund,
 2.20 or another named fund, and are available for the fiscal years indicated for each purpose.

2.21 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 2.22 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

2.23 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 2.24 is fiscal years 2024 and 2025.

2.25 **APPROPRIATIONS**
 2.26 **Available for the Year**
 2.27 **Ending June 30**

2.28 **2024** **2025**

2.29 **Sec. 2. POLLUTION CONTROL AGENCY**

2.30 **Subdivision 1. Total Appropriation** **\$ 310,237,000** **\$ 258,986,000**

2.31 **Appropriations by Fund**

	<u>2024</u>	<u>2025</u>
2.33 <u>General</u>	<u>185,420,000</u>	<u>130,816,000</u>
2.34 <u>State Government</u>		
2.35 <u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
2.36 <u>Environmental</u>	<u>105,187,000</u>	<u>107,833,000</u>
2.37 <u>Remediation</u>	<u>19,545,000</u>	<u>20,247,000</u>

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

3.4 The commissioner must present the agency's
 3.5 biennial budget for fiscal years 2026 and 2027
 3.6 to the legislature in a transparent way by
 3.7 agency division, including the proposed
 3.8 budget bill and presentations of the budget to
 3.9 committees and divisions with jurisdiction
 3.10 over the agency's budget.

3.11 **Subd. 2. Environmental Analysis and Outcomes** 108,726,000 106,910,000

3.12 Appropriations by Fund

	<u>2024</u>	<u>2025</u>
3.13 <u>General</u>	<u>89,353,000</u>	<u>87,472,000</u>
3.14 <u>Environmental</u>	<u>19,174,000</u>	<u>19,233,000</u>
3.15 <u>Remediation</u>	<u>199,000</u>	<u>205,000</u>

3.17 (a) \$122,000 the first year and \$125,000 the
 3.18 second year are from the general fund for:

3.19 (1) a municipal liaison to assist municipalities
 3.20 in implementing and participating in the
 3.21 rulemaking process for water quality standards
 3.22 and navigating the NPDES/SDS permitting
 3.23 process;

3.24 (2) enhanced economic analysis in the
 3.25 rulemaking process for water quality
 3.26 standards, including more-specific analysis
 3.27 and identification of cost-effective permitting;

3.28 (3) developing statewide economic analyses
 3.29 and templates to reduce the amount of
 3.30 information and time required for
 3.31 municipalities to apply for variances from
 3.32 water quality standards; and

3.33 (4) coordinating with the Public Facilities
 3.34 Authority to identify and advocate for the

- 4.1 resources needed for municipalities to achieve
4.2 permit requirements.
- 4.3 (b) \$216,000 the first year and \$219,000 the
4.4 second year are from the environmental fund
4.5 for a monitoring program under Minnesota
4.6 Statutes, section 116.454.
- 4.7 (c) \$132,000 the first year and \$137,000 the
4.8 second year are for monitoring water quality
4.9 and operating assistance programs.
- 4.10 (d) \$390,000 the first year and \$399,000 the
4.11 second year are from the environmental fund
4.12 for monitoring ambient air for hazardous
4.13 pollutants.
- 4.14 (e) \$106,000 the first year and \$109,000 the
4.15 second year are from the environmental fund
4.16 for duties related to harmful chemicals in
4.17 children's products under Minnesota Statutes,
4.18 sections 116.9401 to 116.9407. Of this
4.19 amount, \$68,000 the first year and \$70,000
4.20 the second year are transferred to the
4.21 commissioner of health.
- 4.22 (f) \$128,000 the first year and \$132,000 the
4.23 second year are from the environmental fund
4.24 for registering wastewater laboratories.
- 4.25 (g) \$1,492,000 the first year and \$1,519,000
4.26 the second year are from the environmental
4.27 fund to continue perfluorochemical
4.28 biomonitoring in eastern metropolitan
4.29 communities, as recommended by the
4.30 Environmental Health Tracking and
4.31 Biomonitoring Advisory Panel, and to address
4.32 other environmental health risks, including air
4.33 quality. The communities must include Hmong
4.34 and other immigrant farming communities.

5.1 Of this amount, up to \$1,226,000 the first year
5.2 and \$1,248,000 the second year are for transfer
5.3 to the commissioner of health.

5.4 (h) \$61,000 the first year and \$62,000 the
5.5 second year are from the environmental fund
5.6 for the listing procedures for impaired waters
5.7 required under this act.

5.8 (i) \$72,000 the first year and \$74,000 the
5.9 second year are from the remediation fund for
5.10 the leaking underground storage tank program
5.11 to investigate, clean up, and prevent future
5.12 releases from underground petroleum storage
5.13 tanks and for the petroleum remediation
5.14 program for vapor assessment and
5.15 remediation. These same annual amounts are
5.16 transferred from the petroleum tank fund to
5.17 the remediation fund.

5.18 (j) \$500,000 the first year is to facilitate the
5.19 collaboration and modeling of greenhouse gas
5.20 impacts, costs, and benefits of strategies to
5.21 reduce statewide greenhouse gas emissions.
5.22 This is a onetime appropriation.

5.23 (k) \$87,206,000 the first year and \$87,210,000
5.24 the second year are to establish and implement
5.25 a local government water infrastructure grant
5.26 program for local governmental units and
5.27 Tribal governments. Of this amount,
5.28 \$81,305,000 the first year and \$86,380,000
5.29 the second year are for grants to support
5.30 communities in planning and implementing
5.31 projects that will allow for adaptation for a
5.32 changing climate; \$5,000,000 the first year is
5.33 for a grant to St. Louis County to plan, design,
5.34 and construct one or more facilities, structures,
5.35 or other solutions to protect Lake Superior and

6.1 other waters in the Great Lakes watershed
6.2 from PFAS contamination from landfill
6.3 runoff; and \$75,000 the first year is for a grant
6.4 to the city of Fergus Falls for a two-year water
6.5 improvement pilot project to address water
6.6 quality concerns at Lake Alice. The grant may
6.7 be used to contract for water quality
6.8 improvement services, testing, necessary
6.9 infrastructure, training, and maintenance. This
6.10 appropriation is available until June 30, 2027.
6.11 The base amount for fiscal year 2026 and later
6.12 is \$270,000.

6.13 (l) \$715,000 the first year and \$200,000 the
6.14 second year are from the environmental fund
6.15 to implement Minnesota Statutes, section
6.16 116.065, relating to cumulative impacts. The
6.17 base is \$200,000 in fiscal year 2026 and
6.18 beyond.

6.19 (m) \$907,000 the first year and \$955,000 the
6.20 second year are from the environmental fund
6.21 to develop and implement a program related
6.22 to emerging issues, including *Minnesota's*
6.23 *PFAS Blueprint*.

6.24 (n) \$1,320,000 the first year and \$1,320,000
6.25 the second year are from the environmental
6.26 fund to support improved management of data
6.27 collected by the agency and its partners and
6.28 regulated parties.

6.29 (o) \$393,000 the first year is from the general
6.30 fund to develop and implement the protocol
6.31 for the state response to fish kills under
6.32 Minnesota Statutes, section 103G.2165. The
6.33 commissioner may transfer money under this
6.34 paragraph to other agencies participating in

7.1 developing the protocol. This is a onetime
 7.2 appropriation.

7.3 (p) \$500,000 the first year is from the general
 7.4 fund for a report on requirements and options
 7.5 for eliminating or reducing PFAS in firefighter
 7.6 turnout gear. The report must include
 7.7 recommendations for future disposal of turnout
 7.8 gear and protocols for PFAS biomonitoring
 7.9 in firefighters. This is a onetime appropriation.

7.10 (q) \$500,000 the first year is from the general
 7.11 fund to develop protocols to be used by
 7.12 agencies and departments for sampling and
 7.13 testing groundwater, surface water, public
 7.14 drinking water, and private wells for
 7.15 microplastics and nanoplastics and to begin
 7.16 implementation. The commissioner of the
 7.17 Pollution Control Agency may transfer money
 7.18 appropriated under this paragraph to the
 7.19 commissioners of agriculture, natural
 7.20 resources, and health to implement the
 7.21 protocols developed under this paragraph. This
 7.22 is a onetime appropriation and is available
 7.23 until June 30, 2025.

7.24 (r) \$1,163,000 the first year and \$1,115,000
 7.25 the second year are from the environmental
 7.26 fund for implementing Minnesota Statutes,
 7.27 section 116.943, relating to products
 7.28 containing PFAS.

7.29 Subd. 3. **Industrial** 41,953,000 22,908,000

7.30	<u>Appropriations by Fund</u>		
7.31		<u>2024</u>	<u>2025</u>
7.32	<u>General</u>	<u>23,664,000</u>	<u>3,964,000</u>
7.33	<u>Environmental</u>	<u>16,568,000</u>	<u>17,171,000</u>
7.34	<u>Remediation</u>	<u>1,721,000</u>	<u>1,773,000</u>

8.1 (a) \$1,621,000 the first year and \$1,670,000
8.2 the second year are from the remediation fund
8.3 for the leaking underground storage tank
8.4 program to investigate, clean up, and prevent
8.5 future releases from underground petroleum
8.6 storage tanks and for the petroleum
8.7 remediation program for vapor assessment
8.8 and remediation. These same annual amounts
8.9 are transferred from the petroleum tank fund
8.10 to the remediation fund.

8.11 (b) \$448,000 the first year and \$457,000 the
8.12 second year are from the environmental fund
8.13 to further evaluate the use and reduction of
8.14 trichloroethylene around Minnesota and
8.15 identify its potential health effects on
8.16 communities. Of this amount, \$145,000 the
8.17 first year and \$149,000 the second year are
8.18 transferred to the commissioner of health.

8.19 (c) \$4,000 the first year and \$4,000 the second
8.20 year are from the environmental fund to
8.21 purchase air emissions monitoring equipment
8.22 to support compliance and enforcement
8.23 activities.

8.24 (d) \$3,200,000 the first year and \$3,200,000
8.25 the second year are to provide air emission
8.26 reduction grants. Of this amount, \$2,800,000
8.27 each year is for grants to reduce air pollution
8.28 at regulated facilities within environmental
8.29 justice areas. This appropriation is available
8.30 until June 30, 2027, and is a onetime
8.31 appropriation.

8.32 (e) \$40,000 the first year and \$40,000 the
8.33 second year are for air compliance equipment
8.34 maintenance. This is a onetime appropriation.

9.1 (f) \$19,100,000 the first year and \$300,000
 9.2 the second year are to support research on
 9.3 innovative technologies to treat
 9.4 difficult-to-manage pollutants and for
 9.5 implementation grants based on this research
 9.6 at taconite facilities. Of this amount the first
 9.7 year, \$2,100,000 is for research and
 9.8 \$16,700,000 is for grants. This appropriation
 9.9 is available until June 30, 2027. This is a
 9.10 onetime appropriation.

9.11 (g) \$900,000 the first year is from the general
 9.12 fund for a grant to the Board of Regents of the
 9.13 University of Minnesota for academic and
 9.14 applied research through the MnDRIVE
 9.15 program at the Natural Resources Research
 9.16 Institute to develop and demonstrate
 9.17 technologies that enhance the long-term health
 9.18 and management of Minnesota's water and
 9.19 mineral resources. This appropriation is for
 9.20 continued characterization of Minnesota's iron
 9.21 resources and development of next-generation
 9.22 process technologies for iron products and
 9.23 reduced effluent. This research must be
 9.24 conducted in consultation with the Mineral
 9.25 Coordinating Committee established under
 9.26 Minnesota Statutes, section 93.0015. This is
 9.27 a onetime appropriation.

9.28 (h) The total general fund base budget for the
 9.29 industrial division for fiscal year 2026 and
 9.30 later is \$0.

9.31 Subd. 4. **Municipal** 10,555,000 11,203,000

9.32	<u>Appropriations by Fund</u>	
9.33	<u>2024</u>	<u>2025</u>
9.34	<u>General</u>	<u>641,000</u> <u>647,000</u>

10.1	<u>State Government</u>		
10.2	<u>Special Revenue</u>	<u>85,000</u>	<u>90,000</u>
10.3	<u>Environmental</u>	<u>9,829,000</u>	<u>10,466,000</u>
10.4	<u>(a) \$217,000 the first year and \$223,000 the</u>		
10.5	<u>second year are for:</u>		
10.6	<u>(1) a municipal liaison to assist municipalities</u>		
10.7	<u>in implementing and participating in the</u>		
10.8	<u>rulemaking process for water quality standards</u>		
10.9	<u>and navigating the NPDES/SDS permitting</u>		
10.10	<u>process;</u>		
10.11	<u>(2) enhanced economic analysis in the</u>		
10.12	<u>rulemaking process for water quality</u>		
10.13	<u>standards, including more-specific analysis</u>		
10.14	<u>and identification of cost-effective permitting;</u>		
10.15	<u>(3) developing statewide economic analyses</u>		
10.16	<u>and templates to reduce the amount of</u>		
10.17	<u>information and time required for</u>		
10.18	<u>municipalities to apply for variances from</u>		
10.19	<u>water quality standards; and</u>		
10.20	<u>(4) coordinating with the Public Facilities</u>		
10.21	<u>Authority to identify and advocate for the</u>		
10.22	<u>resources needed for municipalities to achieve</u>		
10.23	<u>permit requirements.</u>		
10.24	<u>(b) \$50,000 the first year and \$50,000 the</u>		
10.25	<u>second year are from the environmental fund</u>		
10.26	<u>for transfer to the Office of Administrative</u>		
10.27	<u>Hearings to establish sanitary districts.</u>		
10.28	<u>(c) \$1,240,000 the first year and \$1,338,000</u>		
10.29	<u>the second year are from the environmental</u>		
10.30	<u>fund for subsurface sewage treatment system</u>		
10.31	<u>(SSTS) program administration and</u>		
10.32	<u>community technical assistance and education,</u>		
10.33	<u>including grants and technical assistance to</u>		
10.34	<u>communities for water-quality protection. Of</u>		

11.1 this amount, \$350,000 each year is for
 11.2 assistance to counties through grants for SSTS
 11.3 program administration. A county receiving
 11.4 a grant from this appropriation must submit
 11.5 the results achieved with the grant to the
 11.6 commissioner as part of its annual SSTS
 11.7 report. Any unexpended balance in the first
 11.8 year does not cancel but is available in the
 11.9 second year.

11.10 (d) \$944,000 the first year and \$1,044,000 the
 11.11 second year are from the environmental fund
 11.12 to address the need for continued increased
 11.13 activity in new technology review, technical
 11.14 assistance for local governments, and
 11.15 enforcement under Minnesota Statutes,
 11.16 sections 115.55 to 115.58, and to complete the
 11.17 requirements of Laws 2003, chapter 128,
 11.18 article 1, section 165.

11.19 (e) Notwithstanding Minnesota Statutes,
 11.20 section 16A.28, the appropriations
 11.21 encumbered on or before June 30, 2025, as
 11.22 grants or contracts for subsurface sewage
 11.23 treatment systems, surface water and
 11.24 groundwater assessments, storm water, and
 11.25 water-quality protection in this subdivision
 11.26 are available until June 30, 2028.

11.27 (f) The total general fund base budget for the
 11.28 municipal division for fiscal year 2026 and
 11.29 later is \$223,000.

11.30 **Subd. 5. Operations** 31,218,000 29,923,000

11.31	<u>Appropriations by Fund</u>	
11.32	<u>2024</u>	<u>2025</u>
11.33	<u>General</u>	<u>20,750,000</u> <u>19,359,000</u>
11.34	<u>Environmental</u>	<u>7,851,000</u> <u>8,073,000</u>
11.35	<u>Remediation</u>	<u>2,617,000</u> <u>2,491,000</u>

- 12.1 (a) \$1,154,000 the first year and \$1,124,000
12.2 the second year are from the remediation fund
12.3 for the leaking underground storage tank
12.4 program to investigate, clean up, and prevent
12.5 future releases from underground petroleum
12.6 storage tanks and for the petroleum
12.7 remediation program for vapor assessment
12.8 and remediation. These same annual amounts
12.9 are transferred from the petroleum tank fund
12.10 to the remediation fund.
- 12.11 (b) \$3,000,000 the first year and \$3,109,000
12.12 the second year are to support agency
12.13 information technology services provided at
12.14 the enterprise and agency level.
- 12.15 (c) \$906,000 the first year and \$919,000 the
12.16 second year are from the environmental fund
12.17 to develop and maintain systems to support
12.18 permitting and regulatory business processes
12.19 and agency data.
- 12.20 (d) \$2,000,000 the first year and \$2,000,000
12.21 the second year are to provide technical
12.22 assistance to Tribal governments. This is a
12.23 onetime appropriation.
- 12.24 (e) \$15,750,000 the first year and \$14,250,000
12.25 the second year are to support modernizing
12.26 and automating agency environmental
12.27 programs and data systems and how the
12.28 agency provides services to regulated parties,
12.29 partners, and the public. This appropriation is
12.30 available until June 30, 2027. This is a onetime
12.31 appropriation.
- 12.32 (f) \$1,100,000 the first year and \$1,100,000
12.33 the second year are from the environmental
12.34 fund for workforce innovation. Of this amount,

13.1 \$270,000 each year is for environmental career
 13.2 pathways for students.

13.3 **Subd. 6. Remediation** 40,242,000 16,022,000

13.4 Appropriations by Fund

	<u>2024</u>	<u>2025</u>	
13.6 <u>General</u>	<u>25,000,000</u>	<u>-0-</u>	
13.7 <u>Environmental</u>	<u>607,000</u>	<u>628,000</u>	
13.8 <u>Remediation</u>	<u>14,635,000</u>	<u>15,394,000</u>	

13.9 (a) All money for environmental response,
 13.10 compensation, and compliance in the
 13.11 remediation fund not otherwise appropriated
 13.12 is appropriated to the commissioners of the
 13.13 Pollution Control Agency and agriculture for
 13.14 purposes of Minnesota Statutes, section
 13.15 115B.20, subdivision 2, clauses (1), (2), (3),
 13.16 (6), and (7). At the beginning of each fiscal
 13.17 year, the two commissioners must jointly
 13.18 submit to the commissioner of management
 13.19 and budget an annual spending plan that
 13.20 maximizes resource use and appropriately
 13.21 allocates the money between the two
 13.22 departments. This appropriation is available
 13.23 until June 30, 2025.

13.24 (b) \$415,000 the first year and \$426,000 the
 13.25 second year are from the environmental fund
 13.26 to manage contaminated sediment projects at
 13.27 multiple sites identified in the St. Louis River
 13.28 remedial action plan to restore water quality
 13.29 in the St. Louis River Area of Concern.

13.30 (c) \$4,476,000 the first year and \$4,622,000
 13.31 the second year are from the remediation fund
 13.32 for the leaking underground storage tank
 13.33 program to investigate, clean up, and prevent
 13.34 future releases from underground petroleum
 13.35 storage tanks and for the petroleum

14.1 remediation program for vapor assessment
 14.2 and remediation. These same annual amounts
 14.3 are transferred from the petroleum tank fund
 14.4 to the remediation fund.

14.5 (d) \$308,000 the first year and \$316,000 the
 14.6 second year are from the remediation fund for
 14.7 transfer to the commissioner of health for
 14.8 private water-supply monitoring and health
 14.9 assessment costs in areas contaminated by
 14.10 unpermitted mixed municipal solid waste
 14.11 disposal facilities and drinking water
 14.12 advisories and public information activities
 14.13 for areas contaminated by hazardous releases.

14.14 (e) \$25,000,000 the first year is for grants to
 14.15 support planning, designing, and preparing for
 14.16 solutions for public water treatment systems
 14.17 contaminated with PFAS. The grants are to
 14.18 reimburse local public water supply operators
 14.19 for source investigations, sampling and
 14.20 treating private drinking water wells, and
 14.21 evaluating solutions for treating private
 14.22 drinking water wells. This appropriation is
 14.23 available until June 30, 2027, and is a onetime
 14.24 appropriation.

14.25 **Subd. 7. Resource Management and Assistance** 64,500,000 58,904,000

14.26	<u>Appropriations by Fund</u>	
14.27	<u>2024</u>	<u>2025</u>
14.28	<u>General</u>	<u>21,047,000</u> <u>14,850,000</u>
14.29	<u>Environmental</u>	<u>43,453,000</u> <u>44,054,000</u>

14.30 (a) Up to \$150,000 the first year and \$150,000
 14.31 the second year may be transferred from the
 14.32 environmental fund to the small business
 14.33 environmental improvement loan account
 14.34 under Minnesota Statutes, section 116.993.

- 15.1 (b) \$1,000,000 the first year and \$1,000,000
15.2 the second year are for competitive recycling
15.3 grants under Minnesota Statutes, section
15.4 115A.565. Of this amount, \$300,000 the first
15.5 year and \$300,000 the second year are from
15.6 the general fund, and \$700,000 the first year
15.7 and \$700,000 the second year are from the
15.8 environmental fund. This appropriation is
15.9 available until June 30, 2027.
- 15.10 (c) \$694,000 the first year and \$694,000 the
15.11 second year are from the environmental fund
15.12 for emission-reduction activities and grants to
15.13 small businesses and other
15.14 nonpoint-emission-reduction efforts. Of this
15.15 amount, \$100,000 the first year and \$100,000
15.16 the second year are to continue work with
15.17 Clean Air Minnesota, and the commissioner
15.18 may enter into an agreement with
15.19 Environmental Initiative to support this effort.
- 15.20 (d) \$20,450,000 the first year and \$20,450,000
15.21 the second year are from the environmental
15.22 fund for SCORE block grants to counties.
- 15.23 (e) \$119,000 the first year and \$119,000 the
15.24 second year are from the environmental fund
15.25 for environmental assistance grants or loans
15.26 under Minnesota Statutes, section 115A.0716.
- 15.27 (f) \$400,000 the first year and \$400,000 the
15.28 second year are from the environmental fund
15.29 for grants to develop and expand recycling
15.30 markets for Minnesota businesses.
- 15.31 (g) \$767,000 the first year and \$770,000 the
15.32 second year are from the environmental fund
15.33 for reducing and diverting food waste,
15.34 redirecting edible food for consumption, and

16.1 removing barriers to collecting and recovering
16.2 organic waste. Of this amount, \$500,000 each
16.3 year is for grants to increase food rescue and
16.4 waste prevention. This appropriation is
16.5 available until June 30, 2027.

16.6 (h) \$2,797,000 the first year and \$2,811,000
16.7 the second year are from the environmental
16.8 fund for the purposes of Minnesota Statutes,
16.9 section 473.844.

16.10 (i) \$318,000 the first year and \$324,000 the
16.11 second year are from the environmental fund
16.12 to address chemicals in products, including to
16.13 implement and enforce flame retardant
16.14 provisions under Minnesota Statutes, section
16.15 325F.071, and perfluoroalkyl and
16.16 polyfluoroalkyl substances in food packaging
16.17 provisions under Minnesota Statutes, section
16.18 325F.075. Of this amount, \$78,000 the first
16.19 year and \$80,000 the second year are
16.20 transferred to the commissioner of health.

16.21 (j) \$180,000 the first year and \$140,000 the
16.22 second year are for quantifying climate-related
16.23 impacts from projects for environmental
16.24 review. This is a onetime appropriation.

16.25 (k) \$1,790,000 the first year and \$70,000 the
16.26 second year are for accelerating pollution
16.27 prevention at small businesses. Of this amount,
16.28 \$1,720,000 the first year is for zero-interest
16.29 loans to phase out high-polluting equipment,
16.30 products, and processes and replace with new
16.31 options. This appropriation is available until
16.32 June 30, 2027. This is a onetime appropriation.

- 17.1 (l) \$190,000 the first year and \$190,000 the
17.2 second year are to support the Greenstep Cities
17.3 program. This is a onetime appropriation.
- 17.4 (m) \$420,000 the first year is to complete a
17.5 study on the viability of recycling solar energy
17.6 equipment. This is a onetime appropriation.
- 17.7 (n) \$17,000 the first year is for rulemaking for
17.8 the capital assistance program. This is a
17.9 onetime appropriation.
- 17.10 (o) \$650,000 the first year and \$650,000 the
17.11 second year are from the environmental fund
17.12 for Minnesota GreenCorps investment.
- 17.13 (p) \$4,210,000 the first year and \$210,000 the
17.14 second year are for PFAS reduction grants.
17.15 Of this amount, \$4,000,000 the first year is
17.16 for grants to industry and public entities to
17.17 identify sources of PFAS entering facilities
17.18 and to develop pollution prevention and
17.19 reduction initiatives to reduce PFAS entering
17.20 facilities, prevent releases, and monitor the
17.21 effectiveness of these projects. This is a
17.22 ontetime appropriation and is available until
17.23 June 30, 2027.
- 17.24 (q) \$13,940,000 the first year and \$13,940,000
17.25 the second year are for a waste prevention and
17.26 reduction grants and loans program. This is a
17.27 onetime appropriation and is available until
17.28 June 30, 2027.
- 17.29 (r) Any unencumbered grant and loan balances
17.30 in the first year do not cancel but are available
17.31 for grants and loans in the second year.
17.32 Notwithstanding Minnesota Statutes, section
17.33 16A.28, the appropriations encumbered on or
17.34 before June 30, 2025, as contracts or grants

18.1 for environmental assistance awarded under
 18.2 Minnesota Statutes, section 115A.0716;
 18.3 technical and research assistance under
 18.4 Minnesota Statutes, section 115A.152;
 18.5 technical assistance under Minnesota Statutes,
 18.6 section 115A.52; and pollution prevention
 18.7 assistance under Minnesota Statutes, section
 18.8 115D.04, are available until June 30, 2027.

18.9 (s) \$150,000 the second year is from the
 18.10 environmental fund for the lead and cadmium
 18.11 in consumer products prohibition under
 18.12 Minnesota Statutes, section 325E.3892.

18.13 **Subd. 8. Watershed** 10,968,000 11,477,000

18.14	<u>Appropriations by Fund</u>	
18.15	<u>2024</u>	<u>2025</u>
18.16	<u>General</u>	<u>3,111,000</u>
18.17	<u>Environmental</u>	<u>7,484,000</u>
18.18	<u>Remediation</u>	<u>373,000</u>

18.19 (a) \$2,959,000 the first year and \$2,959,000
 18.20 the second year are for grants to delegated
 18.21 counties to administer the county feedlot
 18.22 program under Minnesota Statutes, section
 18.23 116.0711, subdivisions 2 and 3. Money
 18.24 remaining after the first year is available for
 18.25 the second year.

18.26 (b) \$236,000 the first year and \$241,000 the
 18.27 second year are from the environmental fund
 18.28 for the costs of implementing general
 18.29 operating permits for feedlots over 1,000
 18.30 animal units.

18.31 (c) \$125,000 the first year and \$129,000 the
 18.32 second year are from the remediation fund for
 18.33 the leaking underground storage tank program
 18.34 to investigate, clean up, and prevent future

19.1 releases from underground petroleum storage
 19.2 tanks and for the petroleum remediation
 19.3 program for vapor assessment and
 19.4 remediation. These same annual amounts are
 19.5 transferred from the petroleum tank fund to
 19.6 the remediation fund.

19.7 (d) The total general fund base budget for the
 19.8 watershed division for fiscal year 2026 and
 19.9 later is \$1,959,000.

19.10 **Subd. 9. Environmental Quality Board** 2,075,000 1,639,000

19.11	<u>Appropriations by Fund</u>	
19.12	<u>2024</u>	<u>2025</u>
19.13	<u>General</u>	<u>1,854,000</u>
19.14	<u>Environmental</u>	<u>221,000</u>

19.15 \$620,000 the first year and \$140,000 the
 19.16 second year are to develop a Minnesota-based
 19.17 greenhouse gas sector and source-specific
 19.18 guidance, including climate information, a
 19.19 greenhouse gas calculator, and technical
 19.20 assistance for users. This is a onetime
 19.21 appropriation.

19.22 **Subd. 10. Transfers**

19.23 (a) The commissioner must transfer up to
 19.24 \$24,000,000 the first year and each fiscal year
 19.25 thereafter from the environmental fund to the
 19.26 remediation fund for purposes of the
 19.27 remediation fund under Minnesota Statutes,
 19.28 section 116.155, subdivision 2.

19.29 (b) By June 30, 2024, the commissioner of
 19.30 management and budget must transfer
 19.31 \$12,000,000 from the general fund to the
 19.32 metropolitan landfill contingency action trust
 19.33 account in the remediation fund.

19.34 **Sec. 3. NATURAL RESOURCES**

20.1 Subdivision 1. Total Appropriation \$ 517,592,000 \$ 389,535,000

20.2 Appropriations by Fund

20.3	<u>2024</u>	<u>2025</u>	
20.4	<u>General</u>	<u>274,789,000</u>	<u>149,796,000</u>
20.5	<u>Natural Resources</u>	<u>115,396,000</u>	<u>114,516,000</u>
20.6	<u>Game and Fish</u>	<u>126,499,000</u>	<u>124,404,000</u>
20.7	<u>Remediation</u>	<u>117,000</u>	<u>117,000</u>
20.8	<u>Permanent School</u>	<u>791,000</u>	<u>702,000</u>

20.9 The amounts that may be spent for each
 20.10 purpose are specified in the following
 20.11 subdivisions.

20.12 Subd. 2. Land and Mineral Resources
 20.13 Management

14,983,000

9,328,000

20.14 Appropriations by Fund

20.15	<u>2024</u>	<u>2025</u>	
20.16	<u>General</u>	<u>10,083,000</u>	<u>4,428,000</u>
20.17	<u>Natural Resources</u>	<u>4,338,000</u>	<u>4,338,000</u>
20.18	<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
20.19	<u>Permanent School</u>	<u>218,000</u>	<u>218,000</u>

20.20 (a) \$319,000 the first year and \$319,000 the
 20.21 second year are for environmental research
 20.22 relating to mine permitting, of which \$200,000
 20.23 each year is from the minerals management
 20.24 account in the natural resources fund and
 20.25 \$119,000 each year is from the general fund.

20.26 (b) \$3,383,000 the first year and \$3,383,000
 20.27 the second year are from the minerals
 20.28 management account in the natural resources
 20.29 fund for use as provided under Minnesota
 20.30 Statutes, section 93.2236, paragraph (c), for
 20.31 mineral resource management, projects to
 20.32 enhance future mineral income, and projects
 20.33 to promote new mineral-resource
 20.34 opportunities.

- 21.1 (c) \$218,000 the first year and \$218,000 the
21.2 second year are transferred from the forest
21.3 suspense account to the permanent school fund
21.4 and are appropriated from the permanent
21.5 school fund to secure maximum long-term
21.6 economic return from the school trust lands
21.7 consistent with fiduciary responsibilities and
21.8 sound natural resources conservation and
21.9 management principles.
- 21.10 (d) \$338,000 the first year and \$338,000 the
21.11 second year are from the water management
21.12 account in the natural resources fund for
21.13 mining hydrology.
- 21.14 (e) \$1,052,000 the first year and \$242,000 the
21.15 second year are for modernizing utility
21.16 licensing for state lands and public waters.
21.17 The first year appropriation is available
21.18 through fiscal year 2026. This is a onetime
21.19 appropriation.
- 21.20 (f) \$5,388,000 the first year is for costs,
21.21 including land acquisition, associated with the
21.22 transfer of state-owned land within the
21.23 boundaries of Upper Sioux Agency State Park
21.24 to the Upper Sioux Community. This is a
21.25 onetime appropriation and is available until
21.26 June 30, 2027.
- 21.27 (g) \$1,000,000 in fiscal year 2023 is from the
21.28 general fund to address safety concerns at the
21.29 drill core library. This is a onetime
21.30 appropriation and is available until June 30,
21.31 2026.
- 21.32 (h) The total general fund base budget for the
21.33 land and mineral resources management

22.1 division for fiscal year 2026 and later is
 22.2 \$3,342,000.

22.3 **Subd. 3. Ecological and Water Resources** 45,315,000 44,413,000

22.4 Appropriations by Fund

	<u>2024</u>	<u>2025</u>
22.5		
22.6 <u>General</u>	<u>25,949,000</u>	<u>26,258,000</u>
22.7 <u>Natural Resources</u>	<u>12,431,000</u>	<u>12,431,000</u>
22.8 <u>Game and Fish</u>	<u>6,935,000</u>	<u>5,724,000</u>

22.9 (a) \$4,222,000 the first year and \$4,222,000
 22.10 the second year are from the invasive species
 22.11 account in the natural resources fund and
 22.12 \$2,831,000 the first year and \$2,831,000 the
 22.13 second year are from the general fund for
 22.14 management, public awareness, assessment
 22.15 and monitoring research, and water access
 22.16 inspection to prevent the spread of invasive
 22.17 species; management of invasive plants in
 22.18 public waters; and management of terrestrial
 22.19 invasive species on state-administered lands.

22.20 (b) \$5,556,000 the first year and \$5,556,000
 22.21 the second year are from the water
 22.22 management account in the natural resources
 22.23 fund for only the purposes specified in
 22.24 Minnesota Statutes, section 103G.27,
 22.25 subdivision 2.

22.26 (c) \$124,000 the first year and \$124,000 the
 22.27 second year are for a grant to the Mississippi
 22.28 Headwaters Board for up to 50 percent of the
 22.29 cost of implementing the comprehensive plan
 22.30 for the upper Mississippi within areas under
 22.31 the board's jurisdiction.

22.32 (d) \$10,000 the first year and \$10,000 the
 22.33 second year are for payment to the Leech Lake
 22.34 Band of Chippewa Indians to implement the

- 23.1 band's portion of the comprehensive plan for
23.2 the upper Mississippi River.
- 23.3 (e) \$300,000 the first year and \$300,000 the
23.4 second year are for grants for up to 50 percent
23.5 of the cost of implementing the Red River
23.6 mediation agreement. The base for fiscal year
23.7 2026 and later is \$264,000.
- 23.8 (f) \$2,498,000 the first year and \$2,498,000
23.9 the second year are from the heritage
23.10 enhancement account in the game and fish
23.11 fund for only the purposes specified in
23.12 Minnesota Statutes, section 297A.94,
23.13 paragraph (h), clause (1).
- 23.14 (g) \$1,150,000 the first year and \$1,150,000
23.15 the second year are from the nongame wildlife
23.16 management account in the natural resources
23.17 fund for nongame wildlife management.
- 23.18 Notwithstanding Minnesota Statutes, section
23.19 290.431, \$100,000 the first year and \$100,000
23.20 the second year may be used for nongame
23.21 wildlife information, education, and
23.22 promotion.
- 23.23 (h) Notwithstanding Minnesota Statutes,
23.24 section 84.943, \$28,000 the first year and
23.25 \$28,000 the second year from the critical
23.26 habitat private sector matching account may
23.27 be used to publicize the critical habitat license
23.28 plate match program.
- 23.29 (i) \$6,000,000 the first year and \$6,000,000
23.30 the second year are for the following activities:
- 23.31 (1) financial reimbursement and technical
23.32 support to soil and water conservation districts
23.33 or other local units of government for
23.34 groundwater-level monitoring;

- 24.1 (2) surface water monitoring and analysis,
24.2 including installing monitoring gauges;
- 24.3 (3) groundwater analysis to assist with
24.4 water-appropriation permitting decisions;
- 24.5 (4) permit application review incorporating
24.6 surface water and groundwater technical
24.7 analysis;
- 24.8 (5) precipitation data and analysis to improve
24.9 irrigation use;
- 24.10 (6) information technology, including
24.11 electronic permitting and integrated data
24.12 systems; and
- 24.13 (7) compliance and monitoring.
- 24.14 (j) \$410,000 the first year and \$410,000 the
24.15 second year are from the heritage enhancement
24.16 account in the game and fish fund and
24.17 \$500,000 the first year and \$500,000 the
24.18 second year are from the general fund for
24.19 grants to the Minnesota Aquatic Invasive
24.20 Species Research Center at the University of
24.21 Minnesota to prioritize, support, and develop
24.22 research-based solutions that can reduce the
24.23 effects of aquatic invasive species in
24.24 Minnesota by preventing spread, controlling
24.25 populations, and managing ecosystems and to
24.26 advance knowledge to inspire action by others.
- 24.27 (k) \$134,000 the first year and \$134,000 the
24.28 second year are for increased capacity for
24.29 broadband utility licensing for state lands and
24.30 public waters. This is a onetime appropriation.
- 24.31 (l) \$998,000 the first year and \$568,000 the
24.32 second year are for protecting and restoring
24.33 carbon storage in state-administered peatlands.

25.1 This is a onetime appropriation and is
25.2 available until June 30, 2027.

25.3 (m) \$200,000 the first year is from the general
25.4 fund to the Board of Regents of the University
25.5 of Minnesota for the University of Minnesota
25.6 Water Council to develop a scope of work,
25.7 timeline, and budget for a plan to promote and
25.8 protect clean water in Minnesota for the next
25.9 50 years. The 50-year clean water plan must:
25.10 (1) provide a literature-based assessment of
25.11 the current status and trends regarding the
25.12 quality and quantity of all Minnesota waters,
25.13 both surface and subsurface; (2) identify gaps
25.14 in the data or understanding and provide
25.15 recommended action steps to address gaps;
25.16 (3) identify existing and potential future
25.17 threats to Minnesota's waters; and (4) propose
25.18 a road map of scenarios and policy
25.19 recommendations to allow the state to
25.20 proactively protect, remediate, and conserve
25.21 clean water for human use and biodiversity
25.22 for the next 50 years. The scope of work must
25.23 outline the steps and resources necessary to
25.24 develop the plan, including but not limited to
25.25 the data sets that are required and how the
25.26 University of Minnesota will obtain access;
25.27 the suite of proposed analysis methods; the
25.28 roles and responsibilities of project leaders,
25.29 key personnel, and stakeholders; the project
25.30 timeline with milestones; and a budget with
25.31 expected costs for tasks and milestones. By
25.32 December 1, 2023, the Board of Regents of
25.33 the University of Minnesota must submit the
25.34 scope of work to the chairs and ranking
25.35 minority members of the house of
25.36 representatives and senate committees and

26.1 divisions with jurisdiction over environment
26.2 and natural resources. This is a onetime
26.3 appropriation.

26.4 (n) \$943,000 the first year is from the heritage
26.5 enhancement account in the game and fish
26.6 fund to examine the effects of neonicotinoid
26.7 exposure on the reproduction and survival of
26.8 Minnesota's game species, including deer and
26.9 prairie chicken. This is a onetime
26.10 appropriation and is available until June 30,
26.11 2027.

26.12 (o) \$395,000 the first year is to expand
26.13 invasive carp surveys and carp removal from
26.14 the Mississippi River, measure the efficacy of
26.15 invasive carp management practices, and pay
26.16 for related staffing costs. This is a onetime
26.17 appropriation.

26.18 (p) \$325,000 the first year is for a grant to the
26.19 Board of Regents of the University of
26.20 Minnesota to study the Mississippi River Lock
26.21 and Dam 5 spillway gate to optimize
26.22 management to reduce invasive carp passage.
26.23 This is a onetime appropriation.

26.24 (q) \$268,000 the first year is from the heritage
26.25 enhancement account in the game and fish
26.26 fund for native fish conservation and
26.27 classification. By August 1, 2023, a written
26.28 update on the progress of identifying necessary
26.29 protection and conservation measures for
26.30 native fish currently defined as rough fish
26.31 under Minnesota Statutes, section 97A.015,
26.32 subdivision 43, including buffalo, sucker,
26.33 sheepshead, bowfin, gar, goldeye, and
26.34 bullhead, must be submitted to the chairs and
26.35 ranking minority members of the house of

27.1 representatives and senate committees and
27.2 divisions with jurisdiction over environment
27.3 and natural resources. By December 15, 2023,
27.4 a written report with recommendations for
27.5 statutory and rule changes to provide
27.6 necessary protection and conservation
27.7 measures and research needs for native fish
27.8 currently designated as rough fish must be
27.9 submitted to the chairs and ranking minority
27.10 members of the house of representatives and
27.11 senate committees and divisions with
27.12 jurisdiction over environment and natural
27.13 resources. The report must include
27.14 recommendations for amending Minnesota
27.15 Statutes to separately classify fish that are
27.16 native to Minnesota and that are currently
27.17 designated as rough fish and invasive fish that
27.18 are currently designated as rough fish. For the
27.19 purposes of this paragraph, native fish include
27.20 but are not limited to bowfin (*Amia calva*),
27.21 bigmouth buffalo (*Ictiobus cyprinellus*),
27.22 smallmouth buffalo (*Ictiobus bubalus*), burbot
27.23 (*Lota lota*), longnose gar (*Lepisosteus osseus*),
27.24 shortnose gar (*Lepisosteus platostomus*),
27.25 goldeye (*Hiodon alosoides*), mooneye (*Hiodon*
27.26 *tergisus*), white sucker (*Catostomus*
27.27 *commersonii*), and invasive fish include but
27.28 are not limited to bighead carp
27.29 (*Hypophthalmichthys nobilis*), grass carp
27.30 (*Ctenopharyngodon idella*), and silver carp
27.31 (*Hypophthalmichthys molitrix*). This is a
27.32 onetime appropriation.

27.33 (r) \$40,000 the first year is for a grant to the
27.34 Stearns Coalition of Lake Associations to
27.35 manage aquatic invasive species. The
27.36 unencumbered balance of the general fund

28.1 appropriation in Laws 2021, First Special
 28.2 Session chapter 6, article 1, section 3,
 28.3 subdivision 3, paragraph (a), for the grant to
 28.4 the Stearns Coalition of Lake Associations,
 28.5 estimated to be \$40,000, is canceled no later
 28.6 than June 29, 2023.

28.7 (s) The total general fund base budget for the
 28.8 ecological and water resources division for
 28.9 fiscal year 2026 and later is \$25,120,000.

28.10 **Subd. 4. Forest Management** 70,325,000 71,667,000

	<u>Appropriations by Fund</u>	
	<u>2024</u>	<u>2025</u>
28.11		
28.12		
28.13	<u>52,672,000</u>	<u>53,989,000</u>
28.14	<u>16,161,000</u>	<u>16,161,000</u>
28.15	<u>1,492,000</u>	<u>1,517,000</u>

28.16 (a) \$7,521,000 the first year and \$7,521,000
 28.17 the second year are for prevention,
 28.18 presuppression, and suppression costs of
 28.19 emergency firefighting and other costs
 28.20 incurred under Minnesota Statutes, section
 28.21 88.12. The amount necessary to pay for
 28.22 presuppression and suppression costs during
 28.23 the biennium is appropriated from the general
 28.24 fund. By January 15 each year, the
 28.25 commissioner of natural resources must submit
 28.26 a report to the chairs and ranking minority
 28.27 members of the house and senate committees
 28.28 and divisions having jurisdiction over
 28.29 environment and natural resources finance that
 28.30 identifies all firefighting costs incurred and
 28.31 reimbursements received in the prior fiscal
 28.32 year. These appropriations may not be
 28.33 transferred. Any reimbursement of firefighting
 28.34 expenditures made to the commissioner from

- 29.1 any source other than federal mobilizations
- 29.2 must be deposited into the general fund.
- 29.3 (b) \$15,386,000 the first year and \$15,386,000
- 29.4 the second year are from the forest
- 29.5 management investment account in the natural
- 29.6 resources fund for only the purposes specified
- 29.7 in Minnesota Statutes, section 89.039,
- 29.8 subdivision 2.
- 29.9 (c) \$1,492,000 the first year and \$1,517,000
- 29.10 the second year are from the heritage
- 29.11 enhancement account in the game and fish
- 29.12 fund to advance ecological classification
- 29.13 systems (ECS), forest habitat, and invasive
- 29.14 species management.
- 29.15 (d) \$906,000 the first year and \$926,000 the
- 29.16 second year are for the Forest Resources
- 29.17 Council to implement the Sustainable Forest
- 29.18 Resources Act.
- 29.19 (e) \$1,143,000 the first year and \$1,143,000
- 29.20 the second year are for the Next Generation
- 29.21 Core Forestry data system. Of this
- 29.22 appropriation, \$868,000 each year is from the
- 29.23 general fund and \$275,000 each year is from
- 29.24 the forest management investment account in
- 29.25 the natural resources fund.
- 29.26 (f) \$500,000 the first year and \$500,000 the
- 29.27 second year are from the forest management
- 29.28 investment account in the natural resources
- 29.29 fund for forest road maintenance on state
- 29.30 forest roads.
- 29.31 (g) \$500,000 the first year and \$500,000 the
- 29.32 second year are for forest road maintenance
- 29.33 on county forest roads.

30.1 (h) \$2,086,000 the first year and \$2,086,000
 30.2 the second year are to support forest
 30.3 management, cost-share assistance, and
 30.4 inventory on private woodlands. This is a
 30.5 onetime appropriation.

30.6 (i) \$400,000 the first year and \$400,000 the
 30.7 second year are to accelerate tree seed
 30.8 collection to support a growing demand for
 30.9 tree planting on public and private lands. This
 30.10 is a onetime appropriation.

30.11 (j) \$8,900,000 the first year and \$8,900,000
 30.12 the second year are for grants to local and
 30.13 Tribal governments and nonprofit
 30.14 organizations to enhance community forest
 30.15 ecosystem health and sustainability under
 30.16 Minnesota Statutes, section 88.82, the
 30.17 Minnesota ReLeaf program. This
 30.18 appropriation is available until June 30, 2027.
 30.19 Money appropriated for grants under this
 30.20 paragraph may be used to pay reasonable costs
 30.21 incurred by the commissioner of natural
 30.22 resources to administer the grants. The base
 30.23 is \$400,000 beginning in fiscal year 2026.

30.24 (k) \$1,500,000 the first year and \$1,500,000
 30.25 the second year are for forest stand
 30.26 improvement and to meet the reforestation
 30.27 requirements of Minnesota Statutes, section
 30.28 89.002, subdivision 2. This is a onetime
 30.29 appropriation.

30.30 **Subd. 5. Parks and Trails Management** 102,687,000 105,420,000

30.31	<u>Appropriations by Fund</u>	
30.32	<u>2024</u>	<u>2025</u>
30.33	<u>General</u>	<u>32,794,000</u> <u>36,507,000</u>
30.34	<u>Natural Resources</u>	<u>67,593,000</u> <u>66,613,000</u>
30.35	<u>Game and Fish</u>	<u>2,300,000</u> <u>2,300,000</u>

- 31.1 (a) \$8,985,000 the first year and \$8,985,000
31.2 the second year are from the natural resources
31.3 fund for state trail, park, and recreation area
31.4 operations. This appropriation is from revenue
31.5 deposited in the natural resources fund under
31.6 Minnesota Statutes, section 297A.94,
31.7 paragraph (h), clause (2).
- 31.8 (b) \$20,828,000 the first year and \$20,828,000
31.9 the second year are from the state parks
31.10 account in the natural resources fund to
31.11 operate and maintain state parks and state
31.12 recreation areas.
- 31.13 (c) \$1,140,000 the first year and \$1,140,000
31.14 the second year are from the natural resources
31.15 fund for park and trail grants to local units of
31.16 government on land to be maintained for at
31.17 least 20 years for parks or trails. This
31.18 appropriation is from revenue deposited in the
31.19 natural resources fund under Minnesota
31.20 Statutes, section 297A.94, paragraph (h),
31.21 clause (4). Any unencumbered balance does
31.22 not cancel at the end of the first year and is
31.23 available for the second year.
- 31.24 (d) \$9,624,000 the first year and \$9,624,000
31.25 the second year are from the snowmobile trails
31.26 and enforcement account in the natural
31.27 resources fund for the snowmobile
31.28 grants-in-aid program. Any unencumbered
31.29 balance does not cancel at the end of the first
31.30 year and is available for the second year.
- 31.31 (e) \$2,435,000 the first year and \$2,435,000
31.32 the second year are from the natural resources
31.33 fund for the off-highway vehicle grants-in-aid
31.34 program. Of this amount, \$1,960,000 each
31.35 year is from the all-terrain vehicle account;

32.1 \$150,000 each year is from the off-highway
32.2 motorcycle account; and \$325,000 each year
32.3 is from the off-road vehicle account. Any
32.4 unencumbered balance does not cancel at the
32.5 end of the first year and is available for the
32.6 second year.

32.7 (f) \$2,250,000 the first year and \$2,250,000
32.8 the second year are from the state land and
32.9 water conservation account in the natural
32.10 resources fund for priorities established by the
32.11 commissioner for eligible state projects and
32.12 administrative and planning activities
32.13 consistent with Minnesota Statutes, section
32.14 84.0264, and the federal Land and Water
32.15 Conservation Fund Act. Any unencumbered
32.16 balance does not cancel at the end of the first
32.17 year and is available for the second year.

32.18 (g) \$250,000 the first year and \$250,000 the
32.19 second year are for matching grants for local
32.20 parks and outdoor recreation areas under
32.21 Minnesota Statutes, section 85.019,
32.22 subdivision 2.

32.23 (h) \$250,000 the first year and \$250,000 the
32.24 second year are for matching grants for local
32.25 trail connections under Minnesota Statutes,
32.26 section 85.019, subdivision 4c.

32.27 (i) \$500,000 the first year and \$750,000 the
32.28 second year are from the natural resources
32.29 fund for parks and trails of regional
32.30 significance outside of the seven-county
32.31 metropolitan area under Minnesota Statutes,
32.32 section 85.535, based on the recommendations
32.33 from the Greater Minnesota Regional Parks
32.34 and Trails Commission. This appropriation is
32.35 from revenue deposited in the natural

33.1 resources fund under Minnesota Statutes,
33.2 section 297A.94, paragraph (i).

33.3 (j) \$300,000 the first year and \$350,000 the
33.4 second year are from the natural resources
33.5 fund for projects and activities that connect
33.6 diverse and underserved Minnesotans through
33.7 expanding cultural environmental experiences,
33.8 exploration of their environment, and outdoor
33.9 recreational activities. This appropriation is
33.10 from revenue deposited in the natural
33.11 resources fund under Minnesota Statutes,
33.12 section 297A.94, paragraph (j).

33.13 (k) \$750,000 the first year is from the
33.14 all-terrain vehicle account in the natural
33.15 resources fund to the commissioner of natural
33.16 resources for a grant to St. Louis County to
33.17 match other funding sources for design,
33.18 right-of-way acquisition, permitting, and
33.19 construction of trails within the Voyageur
33.20 Country ATV trail system. This is a onetime
33.21 appropriation and is available until June 30,
33.22 2026. This appropriation may be used as a
33.23 local match to a 2023 state bonding award.

33.24 (l) \$700,000 the first year is from the
33.25 all-terrain vehicle account in the natural
33.26 resources fund to the commissioner of natural
33.27 resources for a grant to St. Louis County to
33.28 match other funding sources for design,
33.29 right-of-way acquisition, permitting, and
33.30 construction of a new trail within the
33.31 Prospector trail system. This is a onetime
33.32 appropriation and is available until June 30,
33.33 2026. This appropriation may be used as a
33.34 local match to a 2023 state bonding award.

34.1 (m) \$250,000 the first year and \$250,000 the
 34.2 second year are from the all-terrain vehicle
 34.3 account in the natural resources fund to the
 34.4 commissioner of natural resources for a grant
 34.5 to Aitkin County, in cooperation with the
 34.6 Northwoods Regional ATV Trail Alliance, to
 34.7 maintain and repair the Northwoods Regional
 34.8 ATV trail system. This is a onetime
 34.9 appropriation and is available until June 30,
 34.10 2026.

34.11 (n) The total general fund base budget for the
 34.12 parks and trails division for fiscal year 2026
 34.13 and later is \$35,507,000.

34.14 **Subd. 6. Fish and Wildlife Management** 96,212,000 90,186,000

34.15	<u>Appropriations by Fund</u>	
34.16	<u>2024</u>	<u>2025</u>
34.17 <u>General</u>	<u>11,124,000</u>	<u>4,332,000</u>
34.18 <u>Natural Resources</u>	<u>1,982,000</u>	<u>1,982,000</u>
34.19 <u>Game and Fish</u>	<u>83,106,000</u>	<u>83,872,000</u>

34.20 (a) \$11,477,000 the first year and \$11,702,000
 34.21 the second year are from the heritage
 34.22 enhancement account in the game and fish
 34.23 fund only for activities specified under
 34.24 Minnesota Statutes, section 297A.94,
 34.25 paragraph (h), clause (1). Notwithstanding
 34.26 Minnesota Statutes, section 297A.94, five
 34.27 percent of this appropriation may be used for
 34.28 expanding hunter and angler recruitment and
 34.29 retention.

34.30 (b) \$982,000 the first year and \$982,000 the
 34.31 second year are from the general fund and
 34.32 \$1,675,000 the first year and \$1,675,000 the
 34.33 second year are from the game and fish fund
 34.34 for statewide response and management of
 34.35 chronic wasting disease. The commissioner

35.1 and the Board of Animal Health must each
35.2 submit annual reports on chronic wasting
35.3 disease activities funded in this biennium to
35.4 the chairs and ranking minority members of
35.5 the legislative committees and divisions with
35.6 jurisdiction over environment and natural
35.7 resources and agriculture. The base for the
35.8 general fund portion of this appropriation in
35.9 fiscal year 2026 and later is \$282,000.

35.10 (c) \$8,546,000 the first year and \$8,546,000
35.11 the second year are from the deer management
35.12 account for the purposes identified in
35.13 Minnesota Statutes, section 97A.075,
35.14 subdivision 1.

35.15 (d) \$134,000 the first year and \$134,000 the
35.16 second year are for increased capacity for
35.17 broadband utility licensing for state lands and
35.18 public waters. This is a onetime appropriation.

35.19 (e) \$5,134,000 the first year is for enhancing
35.20 grasslands and restoring wetlands on
35.21 state-owned wildlife management areas to
35.22 sequester more carbon and enhance climate
35.23 resiliency. This is a onetime appropriation and
35.24 is available until June 30, 2027.

35.25 (f) \$500,000 the first year and \$500,000 the
35.26 second year are from the general fund and
35.27 \$500,000 the first year and \$500,000 the
35.28 second year are from the heritage enhancement
35.29 account in the game and fish fund for grants
35.30 for natural-resource-based education and
35.31 recreation programs serving youth under
35.32 Minnesota Statutes, section 84.976, and for
35.33 grant administration. The general fund amount
35.34 is onetime.

36.1 (g) \$400,000 the first year and \$400,000 the
 36.2 second year are for the walk-in access program
 36.3 under Minnesota Statutes, section 97A.126.

36.4 (h) \$1,633,000 the first year is for a grant to
 36.5 the Board of Regents of the University of
 36.6 Minnesota for chronic wasting disease
 36.7 contingency plans developed by the Center
 36.8 for Infectious Disease Research and Policy.
 36.9 This is a onetime appropriation.

36.10 (i) Notwithstanding Minnesota Statutes,
 36.11 section 297A.94, \$300,000 the first year and
 36.12 \$300,000 the second year are from the heritage
 36.13 enhancement account in the game and fish
 36.14 fund for shooting sports facility grants under
 36.15 Minnesota Statutes, section 87A.10, including
 36.16 grants for archery facilities. Grants must be
 36.17 matched with a nonstate match, which may
 36.18 include in-kind contributions. This is a
 36.19 onetime appropriation and is available until
 36.20 June 30, 2026. This appropriation must be
 36.21 allocated as follows: (1) \$200,000 each fiscal
 36.22 year is for grants of \$25,000 or less; and (2)
 36.23 \$100,000 each fiscal year is for grants in
 36.24 excess of \$25,000.

36.25 Subd. 7. Enforcement 63,472,000 63,028,000

<u>Appropriations by Fund</u>	<u>2024</u>	<u>2025</u>
36.27 <u>General</u>	<u>18,522,000</u>	<u>19,653,000</u>
36.28 <u>Natural Resources</u>	<u>12,511,000</u>	<u>12,611,000</u>
36.29 <u>Game and Fish</u>	<u>32,322,000</u>	<u>30,647,000</u>
36.30 <u>Remediation</u>	<u>117,000</u>	<u>117,000</u>

36.32 (a) \$1,718,000 the first year and \$1,718,000
 36.33 the second year are from the general fund for
 36.34 enforcement efforts to prevent the spread of
 36.35 aquatic invasive species.

- 37.1 (b) \$2,080,000 the first year and \$1,892,000
37.2 the second year are from the heritage
37.3 enhancement account in the game and fish
37.4 fund for only the purposes specified under
37.5 Minnesota Statutes, section 297A.94,
37.6 paragraph (h), clause (1).
- 37.7 (c)\$1,082,000 the first year and\$1,082,000 the
37.8 second year are from the water recreation
37.9 account in the natural resources fund for grants
37.10 to counties for boat and water safety. Any
37.11 unencumbered balance does not cancel at the
37.12 end of the first year and is available for the
37.13 second year.
- 37.14 (d) \$315,000 the first year and \$315,000 the
37.15 second year are from the snowmobile trails
37.16 and enforcement account in the natural
37.17 resources fund for grants to local law
37.18 enforcement agencies for snowmobile
37.19 enforcement activities. Any unencumbered
37.20 balance does not cancel at the end of the first
37.21 year and is available for the second year.
- 37.22 (e) \$250,000 the first year and \$250,000 the
37.23 second year are from the all-terrain vehicle
37.24 account in the natural resources fund for grants
37.25 to qualifying organizations to assist in safety
37.26 and environmental education and monitoring
37.27 trails on public lands under Minnesota
37.28 Statutes, section 84.9011. Grants issued under
37.29 this paragraph must be issued through a formal
37.30 agreement with the organization. By
37.31 December 15 each year, an organization
37.32 receiving a grant under this paragraph must
37.33 report to the commissioner with details on
37.34 expenditures and outcomes from the grant. Of
37.35 this appropriation, \$25,000 each year is for

38.1 administering these grants. Any unencumbered
38.2 balance does not cancel at the end of the first
38.3 year and is available for the second year.

38.4 (f) \$510,000 the first year and \$510,000 the
38.5 second year are from the natural resources
38.6 fund for grants to county law enforcement
38.7 agencies for off-highway vehicle enforcement
38.8 and public education activities based on
38.9 off-highway vehicle use in the county. Of this
38.10 amount, \$498,000 each year is from the
38.11 all-terrain vehicle account, \$11,000 each year
38.12 is from the off-highway motorcycle account,
38.13 and \$1,000 each year is from the off-road
38.14 vehicle account. The county enforcement
38.15 agencies may use money received under this
38.16 appropriation to make grants to other local
38.17 enforcement agencies within the county that
38.18 have a high concentration of off-highway
38.19 vehicle use. Of this appropriation, \$25,000
38.20 each year is for administering the grants. Any
38.21 unencumbered balance does not cancel at the
38.22 end of the first year and is available for the
38.23 second year.

38.24 (g) \$2,250,000 the first year and \$2,250,000
38.25 the second year are appropriated for
38.26 inspections, investigations, and enforcement
38.27 activities taken in conjunction with the Board
38.28 of Animal Health for the white-tailed deer
38.29 farm program and for statewide response and
38.30 management of chronic wasting disease.

38.31 (h) \$3,050,000 the first year is for modernizing
38.32 the enforcement aviation fleet. This
38.33 appropriation is available until June 30, 2027.

38.34 (i) \$360,000 the first year and \$360,000 the
38.35 second year are for training department

39.1 enforcement officers and for maintaining and
 39.2 storing equipment for conservation officer
 39.3 public safety responses. This is a onetime
 39.4 appropriation.

39.5 (j) The commissioner of natural resources shall
 39.6 recruit and hire at least 2.5 full-time equivalent
 39.7 positions to engage in outreach to members
 39.8 of Southeast Asian communities in Minnesota
 39.9 about hunting and fishing opportunities and
 39.10 regulations in this state. No more than one
 39.11 full-time equivalent position may be a
 39.12 conservation officer and all positions filled
 39.13 with this appropriation must be fluent in the
 39.14 Hmong or Karen language.

39.15 **Subd. 8. Operations Support** 2,434,000 1,408,000

39.16 (a) \$1,684,000 the first year and \$1,408,000
 39.17 second year are for information technology
 39.18 security and modernization. This is a onetime
 39.19 appropriation.

39.20 (b) \$750,000 the first year is for legal costs.
 39.21 The unencumbered amount of the general fund
 39.22 appropriation in Laws 2019, First Special
 39.23 Session chapter 4, article 1, section 3,
 39.24 subdivision 8, for legal costs, estimated to be
 39.25 \$750,000, is canceled no later than June 29,
 39.26 2023.

39.27 **Subd. 9. Pass Through Funds** 4,164,000 4,085,000

39.28	<u>Appropriations by Fund</u>	
39.29	<u>2024</u>	<u>2025</u>
39.30 <u>General</u>	<u>3,211,000</u>	<u>3,221,000</u>
39.31 <u>Natural Resources</u>	<u>380,000</u>	<u>380,000</u>
39.32 <u>Permanent School</u>	<u>573,000</u>	<u>484,000</u>

39.33 (a) \$380,000 the first year and \$380,000 the
 39.34 second year are from the natural resources

40.1 fund for grants to be divided equally between
 40.2 the city of St. Paul for the Como Park Zoo and
 40.3 Conservatory and the city of Duluth for the
 40.4 Lake Superior Zoo. This appropriation is from
 40.5 revenue deposited to the natural resources fund
 40.6 under Minnesota Statutes, section 297A.94,
 40.7 paragraph (h), clause (5).

40.8 (b) \$211,000 the first year and \$221,000 the
 40.9 second year are for the Office of School Trust
 40.10 Lands.

40.11 (c) \$250,000 the first year and \$150,000 the
 40.12 second year are transferred from the forest
 40.13 suspense account to the permanent school fund
 40.14 and are appropriated from the permanent
 40.15 school fund for transaction and project
 40.16 management costs for divesting of school trust
 40.17 lands within Boundary Waters Canoe Area
 40.18 Wilderness.

40.19 (d) \$323,000 the first year and \$334,000 the
 40.20 second year are transferred from the forest
 40.21 suspense account to the permanent school fund
 40.22 and are appropriated from the permanent
 40.23 school fund for the Office of School Trust
 40.24 Lands.

40.25 (e) \$3,000,000 the first year and \$3,000,000
 40.26 the second year are for proportional payments
 40.27 to Tribes receiving payments under Minnesota
 40.28 Statutes, section 97A.165.

40.29 **Subd. 10. Get Out MORE (Modernizing Outdoor**
 40.30 **Recreation Experiences)**

118,000,000

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40.31 \$118,000,000 the first year is for modernizing
 40.32 Minnesota's state-managed outdoor recreation
 40.33 experiences. Of this amount:

41.1 (1) \$28,000,000 is for enhancing access and
41.2 welcoming new users to public lands and
41.3 outdoor recreation facilities. Of this amount,
41.4 \$400,000 is for a grant to the city of Silver
41.5 Bay for construction of the Silver Bay
41.6 Trailhead, and \$500,000 is for a grant to the
41.7 city of Chisolm for trail development,
41.8 maintenance, and related amenities at Redhead
41.9 Mountain Bike Park;

41.10 (2) \$5,000,000 is for modernizing camping
41.11 and related infrastructure;

41.12 (3) \$35,000,000 is for modernizing boating
41.13 access. Of this amount, \$1,900,000 is for the
41.14 construction of the Crane Lake Voyageurs
41.15 National Park Visitor Center and Campground
41.16 and for improvements and maintenance for
41.17 the state-operated boat ramp at Crane Lake;

41.18 (4) \$35,000,000 is for modernizing fish
41.19 hatcheries and fishing infrastructure; and

41.20 (5) \$15,000,000 is for restoring streams and
41.21 modernizing water-related infrastructure.

41.22 The commissioner may reallocate across these
41.23 purposes based on project readiness and
41.24 priority. This is a onetime appropriation and
41.25 is available until June 30, 2029.

41.26 **Subd. 11. Transfer**

41.27 By June 30, 2024, the commissioner of
41.28 management and budget must transfer \$58,000
41.29 from the water recreation account in the
41.30 natural resources fund to the driver services
41.31 operating account under Minnesota Statutes,
41.32 section 299A.705.

42.1 EFFECTIVE DATE. Subdivisions 2, 3, and 8 are effective the day following final
42.2 enactment.

42.3 Sec. 4. BOARD OF WATER AND SOIL
42.4 RESOURCES

\$ 58,766,000 \$ 58,954,000

42.5 (a) \$3,116,000 the first year and \$3,116,000
42.6 the second year are for grants and payments
42.7 to soil and water conservation districts for
42.8 accomplishing the purposes of Minnesota
42.9 Statutes, chapter 103C, and for other general
42.10 purposes, nonpoint engineering, and
42.11 implementation and stewardship of the
42.12 reinvest in Minnesota reserve program.
42.13 Expenditures may be made from this
42.14 appropriation for supplies and services
42.15 benefiting soil and water conservation
42.16 districts. Any district receiving a payment
42.17 under this paragraph must maintain a website
42.18 that publishes, at a minimum, the district's
42.19 annual report, annual audit, annual budget,
42.20 and meeting notices.

42.21 (b) \$761,000 the first year and \$761,000 the
42.22 second year are to implement, enforce, and
42.23 provide oversight for the Wetland
42.24 Conservation Act, including administering the
42.25 wetland banking program and in-lieu fee
42.26 mechanism.

42.27 (c) \$1,560,000 the first year and \$1,560,000
42.28 the second year are for the following:

42.29 (1) \$1,460,000 each year is for cost-sharing
42.30 programs of soil and water conservation
42.31 districts for accomplishing projects and
42.32 practices consistent with Minnesota Statutes,
42.33 section 103C.501, including perennially
42.34 vegetated riparian buffers, erosion control,
42.35 water retention and treatment, water quality

- 43.1 cost-sharing for feedlots under 500 animal
43.2 units and nutrient and manure management
43.3 projects in watersheds where there are
43.4 impaired waters, and other high-priority
43.5 conservation practices; and
43.6 (2) \$100,000 each year is for county
43.7 cooperative weed management programs and
43.8 to restore native plants at selected invasive
43.9 species management sites.
- 43.10 (d) \$166,000 the first year and \$166,000 the
43.11 second year are to provide technical assistance
43.12 to local drainage management officials and
43.13 for the costs of the Drainage Work Group. The
43.14 board must coordinate the activities of the
43.15 Drainage Work Group according to Minnesota
43.16 Statutes, section 103B.101, subdivision 13.
- 43.17 (e) \$100,000 the first year and \$100,000 the
43.18 second year are for a grant to the Red River
43.19 Basin Commission for water quality and
43.20 floodplain management, including program
43.21 administration. This appropriation must be
43.22 matched by nonstate funds.
- 43.23 (f) \$190,000 the first year and \$190,000 the
43.24 second year are for grants to Area II
43.25 Minnesota River Basin Projects for floodplain
43.26 management. The base for fiscal year 2026
43.27 and later is \$140,000.
- 43.28 (g) \$125,000 the first year and \$125,000 the
43.29 second year are for conservation easement
43.30 stewardship.
- 43.31 (h) \$240,000 the first year and \$240,000 the
43.32 second year are for a grant to the Lower
43.33 Minnesota River Watershed District to defray
43.34 the annual cost of operating and maintaining

44.1 sites for dredge spoil to sustain the state,
44.2 national, and international commercial and
44.3 recreational navigation on the lower Minnesota
44.4 River.

44.5 (i) \$2,000,000 the first year and \$2,000,000
44.6 the second year are for the lawns to legumes
44.7 program under Minnesota Statutes, section
44.8 103B.104. The board may enter into
44.9 agreements with local governments, Metro
44.10 Blooms, and other organizations to support
44.11 this effort. This is a onetime appropriation and
44.12 is available until June 30, 2027.

44.13 (j) \$500,000 the first year and \$500,000 the
44.14 second year are for the habitat-friendly utilities
44.15 program under Minnesota Statutes, section
44.16 103B.105. This is a onetime appropriation and
44.17 is available until June 30, 2027.

44.18 (k) \$2,000,000 the first year and \$2,000,000
44.19 the second year are for the habitat
44.20 enhancement landscape program under
44.21 Minnesota Statutes, section 103B.106. This is
44.22 a onetime appropriation and is available until
44.23 June 30, 2027.

44.24 (l) \$13,380,000 the first year and \$13,380,000
44.25 the second year are for soil health activities to
44.26 achieve water quality, soil productivity,
44.27 climate change resiliency, or carbon
44.28 sequestration benefits consistent with
44.29 Minnesota Statutes, section 103F.06. This is
44.30 a onetime appropriation and is available until
44.31 June 30, 2027. The board may use grants to
44.32 local governments, including soil and water
44.33 conservation districts, and agreements with
44.34 the United States Department of Agriculture;
44.35 the University of Minnesota, Office for Soil

45.1 Health; AgCentric, Minnesota State Northern
45.2 Center of Excellence; and other practitioners
45.3 and partners to accomplish this work.

45.4 (m) \$8,000,000 the first year and \$8,000,000
45.5 the second year are for conservation easements
45.6 and to restore and enhance grasslands and
45.7 adjacent lands consistent with Minnesota
45.8 Statutes, sections 103F.501 to 103F.531, for
45.9 the purposes of climate resiliency, adaptation,
45.10 carbon sequestration, and related benefits. Of
45.11 this amount, up to \$422,500 is for deposit in
45.12 the water and soil conservation easement
45.13 stewardship account established under
45.14 Minnesota Statutes, section 103B.103. This is
45.15 a onetime appropriation and is available until
45.16 June 30, 2027.

45.17 (n) \$7,500,000 the first year and \$7,500,000
45.18 the second year are to acquire conservation
45.19 easements and to restore and enhance
45.20 peatlands and adjacent lands consistent with
45.21 Minnesota Statutes, sections 103F.501 to
45.22 103F.531, for the purposes of climate
45.23 resiliency, adaptation, carbon sequestration,
45.24 and related benefits. Of this amount, up to
45.25 \$299,000 is for deposit in the water and soil
45.26 conservation easement stewardship account
45.27 established under Minnesota Statutes, section
45.28 103B.103. This is a onetime appropriation and
45.29 is available until June 30, 2027.

45.30 (o) \$8,500,000 the first year and \$8,500,000
45.31 the second year are for water quality and
45.32 storage practices and projects to protect
45.33 infrastructure, improve water quality and
45.34 related public benefits, and mitigate climate
45.35 change impacts consistent with Minnesota

46.1 Statutes, section 103F.05. This is a onetime
46.2 appropriation and is available until June 30,
46.3 2027.

46.4 (p) \$4,673,000 the first year and \$4,673,000
46.5 the second year are for natural resources block
46.6 grants to local governments to implement the
46.7 Wetland Conservation Act and shoreland
46.8 management program under Minnesota
46.9 Statutes, chapter 103F, and local water
46.10 management responsibilities under Minnesota
46.11 Statutes, chapter 103B. The board may reduce
46.12 the amount of the natural resources block grant
46.13 to a county by an amount equal to any
46.14 reduction in the county's general services
46.15 allocation to a soil and water conservation
46.16 district from the county's previous year
46.17 allocation when the board determines that the
46.18 reduction was disproportionate. The base for
46.19 fiscal year 2026 and later is \$3,423,000.

46.20 (q) \$129,000 the first year and \$136,000 the
46.21 second year are to accomplish the objectives
46.22 of Minnesota Statutes, section 10.65, and
46.23 related Tribal government coordination. The
46.24 base for fiscal year 2026 and each year
46.25 thereafter is \$144,000.

46.26 (r) The board may shift money in this section
46.27 and may adjust the technical and
46.28 administrative assistance portion of the funds
46.29 to leverage federal or other nonstate funds or
46.30 to address accountability, oversight, local
46.31 government performance, or high-priority
46.32 needs.

46.33 (s) Returned grants and payments are available
46.34 for two years after they are returned or
46.35 regranted, whichever is later. Funds must be

47.1 regranted consistent with the purposes of this
47.2 section. If an appropriation for grants in either
47.3 year is insufficient, the appropriation in the
47.4 other year is available for it.

47.5 (t) Notwithstanding Minnesota Statutes,
47.6 section 16B.97, grants awarded from
47.7 appropriations in this section are exempt from
47.8 the Department of Administration, Office of
47.9 Grants Management Policy 08-08 Grant
47.10 Payments and 08-10 Grant Monitoring.

47.11 **Sec. 5. METROPOLITAN COUNCIL \$ 28,490,000 \$ 10,990,000**

47.12	<u>Appropriations by Fund</u>		
47.13		<u>2024</u>	<u>2025</u>
47.14	<u>General</u>	<u>20,040,000</u>	<u>2,540,000</u>
47.15	<u>Natural Resources</u>	<u>8,450,000</u>	<u>8,450,000</u>

47.16 (a) \$7,540,000 the first year and \$2,540,000
47.17 the second year are for metropolitan-area
47.18 regional parks operation and maintenance
47.19 according to Minnesota Statutes, section
47.20 473.351.

47.21 (b) \$8,450,000 the first year and \$8,450,000
47.22 the second year are from the natural resources
47.23 fund for metropolitan-area regional parks and
47.24 trails maintenance and operations. This
47.25 appropriation is from revenue deposited in the
47.26 natural resources fund under Minnesota
47.27 Statutes, section 297A.94, paragraph (h),
47.28 clause (3).

47.29 (c) \$2,500,000 the first year is for developing
47.30 a decision-making support tool set to help
47.31 local partners quantify the risks of a changing
47.32 climate and prioritize strategies that mitigate
47.33 those risks. This is a onetime appropriation
47.34 and is available until June 30, 2027.

48.1 (d) \$10,000,000 the first year is to modernize
 48.2 regional parks and trails. This is a onetime
 48.3 appropriation and is available until June 30,
 48.4 2027.

48.5 **Sec. 6. CONSERVATION CORPS**
 48.6 **MINNESOTA** **\$** **945,000** **\$** **945,000**

48.7	<u>Appropriations by Fund</u>	
48.8	<u>2024</u>	<u>2025</u>
48.9	<u>General</u>	<u>455,000</u>
48.10	<u>Natural Resources</u>	<u>490,000</u>

48.11 Conservation Corps Minnesota may receive
 48.12 money appropriated from the natural resources
 48.13 fund under this section only as provided in an
 48.14 agreement with the commissioner of natural
 48.15 resources.

48.16 **Sec. 7. ZOOLOGICAL BOARD** **\$** **12,807,000** **\$** **11,957,000**

48.17	<u>Appropriations by Fund</u>	
48.18	<u>2024</u>	<u>2025</u>
48.19	<u>General</u>	<u>12,617,000</u>
48.20	<u>Natural Resources</u>	<u>190,000</u>

48.21 (a) \$190,000 the first year and \$190,000 the
 48.22 second year are from the natural resources
 48.23 fund from revenue deposited under Minnesota
 48.24 Statutes, section 297A.94, paragraph (h),
 48.25 clause (5).

48.26 (b) \$850,000 the first year is to improve safety
 48.27 and security at the Minnesota Zoo. This is a
 48.28 onetime appropriation.

48.29 **Sec. 8. SCIENCE MUSEUM** **\$** **1,200,000** **\$** **1,260,000**

48.30 **ARTICLE 2**
 48.31 **ENERGY FINANCE**

48.32 **Section 1. APPROPRIATIONS.**

49.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 49.2 and for the purposes specified in this article. The appropriations are from the general fund,
 49.3 or another named fund, and are available for the fiscal years indicated for each purpose.
 49.4 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 49.5 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 49.6 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 49.7 is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in
 49.8 the 2023 legislative session, the appropriation must be given effect only once.

49.9		<u>APPROPRIATIONS</u>	
49.10		<u>Available for the Year</u>	
49.11		<u>Ending June 30</u>	
49.12		<u>2024</u>	<u>2025</u>

49.13 **Sec. 2. DEPARTMENT OF COMMERCE**

49.14	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>106,621,000</u>	<u>\$</u>	<u>35,419,000</u>
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49.15	<u>Appropriations by Fund</u>			
49.16		<u>2024</u>		<u>2025</u>
49.17	<u>General</u>	<u>105,545,000</u>		<u>34,322,000</u>
49.18	<u>Petroleum Tank</u>	<u>1,076,000</u>		<u>1,097,000</u>

49.19 The amounts that may be spent for each
 49.20 purpose are specified in the following
 49.21 subdivisions.

49.22	<u>Subd. 2. Energy Resources</u>		<u>105,545,000</u>		<u>34,322,000</u>
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49.23 (a) \$150,000 each year is to remediate
 49.24 vermiculite insulation from households that
 49.25 are eligible for weatherization assistance under
 49.26 Minnesota's weatherization assistance program
 49.27 state plan under Minnesota Statutes, section
 49.28 216C.264. Remediation must be done in
 49.29 conjunction with federal weatherization
 49.30 assistance program services.

49.31 (b) \$15,000,000 in the first year is transferred
 49.32 from the general fund to the solar for schools
 49.33 program account in the special revenue fund
 49.34 for grants under the solar for schools program
 49.35 established under Minnesota Statutes, section

50.1 216C.375. The money under this paragraph
50.2 must be expended on schools located outside
50.3 the electric service territory of the public
50.4 utility that is subject to Minnesota Statutes,
50.5 section 116C.779.

50.6 (c) \$1,138,000 in the first year is transferred
50.7 from the general fund to the solar for school
50.8 account under Minnesota Statutes, section
50.9 216C.375, to provide financial assistance to
50.10 schools that are state colleges and universities
50.11 to purchase and install solar energy generating
50.12 systems. This appropriation must be expended
50.13 on schools located outside the electric service
50.14 territory of the public utility that is subject to
50.15 Minnesota Statutes, section 116C.779. Money
50.16 under this paragraph is available until June
50.17 30, 2034. Any money remaining on June 30,
50.18 2034, cancels to the general fund.

50.19 (d) \$189,000 each year is for activities
50.20 associated with a utility's implementation of
50.21 a natural gas innovation plan under Minnesota
50.22 Statutes, section 216B.2427.

50.23 (e) \$2,630,000 the first year and \$21,018,000
50.24 the second year are for preweatherization work
50.25 to serve additional households and allow for
50.26 services that would otherwise be denied due
50.27 to current federal limitations related to the
50.28 federal weatherization assistance program.
50.29 Money under this paragraph is transferred
50.30 from the general fund to the preweatherization
50.31 account in the special revenue fund under
50.32 Minnesota Statutes, section 216C.264,
50.33 subdivision 1c. The base in fiscal year 2026
50.34 is \$1,012,000 and the base in fiscal year 2027
50.35 is \$690,000.

- 51.1 (f) \$3,739,000 each year is for the strengthen
51.2 Minnesota homes program under Minnesota
51.3 Statutes, section 65A.299, subdivision 4.
51.4 Money under this paragraph is transferred
51.5 from the general fund to strengthen Minnesota
51.6 homes account in the special revenue fund.
51.7 The base in fiscal year 2026 and later is
51.8 \$1,239,000.
- 51.9 (g) \$300,000 the first year is to conduct an
51.10 advanced nuclear study. This is a onetime
51.11 appropriation.
- 51.12 (h) \$850,000 the first year is for a grant to the
51.13 Minnesota Amateur Sports Commission to
51.14 replace the roof on the ice rink and a
51.15 maintenance facility at the National Sports
51.16 Center in Blaine in order to install solar arrays.
51.17 This is a onetime appropriation.
- 51.18 (i) \$500,000 the first year and \$500,000 the
51.19 second year are for a grant to the clean energy
51.20 resource teams partnerships under Minnesota
51.21 Statutes, section 216C.385, subdivision 2, to
51.22 provide additional capacity to perform the
51.23 duties specified under Minnesota Statutes,
51.24 section 216C.385, subdivision 3.
- 51.25 (j) \$17,500,000 the first year is for a grant to
51.26 an investor-owned electric utility that has at
51.27 least 50,000 retail electric customers, but no
51.28 more than 200,000 retail electric customers,
51.29 to increase the capacity and improve the
51.30 reliability of an existing high-voltage direct
51.31 current transmission line that runs between
51.32 North Dakota and Minnesota. This is a
51.33 onetime appropriation and must be used to
51.34 support the cost-share component of a federal
51.35 grant application to a program enacted in the

52.1 federal Infrastructure Investment and Jobs Act,
52.2 Public Law 117-58, and may otherwise be
52.3 used to reduce the cost of the high-voltage
52.4 direct current transmission project upgrade.
52.5 This appropriation is available until June 30,
52.6 2034.

52.7 (k) \$2,410,000 the first year and \$2,410,000
52.8 the second year are for grants for the
52.9 development of clean energy projects by
52.10 Tribal nations or Tribal communities sharing
52.11 geographic borders with Minnesota. Of this
52.12 amount, \$2,000,000 each year is for grants
52.13 and \$410,000 each year is for technical
52.14 assistance and administrative support for the
52.15 Tribal Advocacy Council on Energy under
52.16 article 7, section 47. As part of the technical
52.17 assistance and administrative support for the
52.18 program, the commissioner must hire a Tribal
52.19 liaison to support the Tribal Advocacy Council
52.20 on Energy and advise the department on the
52.21 development of a culturally responsive clean
52.22 energy grants program based on the priorities
52.23 identified by the Tribal Advocacy Council on
52.24 Energy.

52.25 (l) \$3,000,000 the first year is for a grant to
52.26 Clean Energy Economy Minnesota for the
52.27 Minnesota Energy Alley initiative to secure
52.28 the state's energy and economic development
52.29 future. The appropriation may be used to
52.30 establish and support the initiative, provide
52.31 seed funding for businesses, develop a training
52.32 and development program, support recruitment
52.33 of entrepreneurs to Minnesota, and secure
52.34 funding from federal programs and corporate
52.35 partners to establish a self-sustaining,

53.1 long-term revenue model. This is a onetime
53.2 appropriation and is available until June 30,
53.3 2027.

53.4 (m) \$500,000 the first year is for a grant to the
53.5 city of Anoka for feasibility studies as
53.6 described in this paragraph and design,
53.7 engineering, and environmental analysis
53.8 related to the repair and reconstruction of the
53.9 Rum River Dam. Findings from the feasibility
53.10 studies must be incorporated into the design
53.11 and engineering funded by this appropriation.
53.12 This appropriation is onetime and is available
53.13 until June 30, 2027. This appropriation
53.14 includes money for the following studies: (1)
53.15 a study to assess the feasibility of adding a
53.16 lock or other means for boats to traverse the
53.17 dam to navigate between the lower Rum River
53.18 and upper Rum River; (2) a study to assess
53.19 the feasibility of constructing the dam in a
53.20 manner that would facilitate recreational river
53.21 surfing at the dam site; and (3) a study to
53.22 assess the feasibility of constructing the dam
53.23 in a manner to generate hydroelectric power.

53.24 (n) \$3,500,000 the first year is for awarding
53.25 electric panel upgrade grants under Minnesota
53.26 Statutes, section 216C.46, and to reimburse
53.27 the reasonable cost of the department to
53.28 administer the program. Grants awarded with
53.29 funds appropriated under this subdivision must
53.30 be awarded only to owners of single-family
53.31 homes or multifamily buildings that are
53.32 located outside the electric service area of the
53.33 public utility subject to Minnesota Statutes,
53.34 section 116C.779. This is a onetime
53.35 appropriation and remains available until June

- 54.1 30, 2032. Any money that remains
54.2 unexpended on June 30, 2027, cancels to the
54.3 general fund.
- 54.4 (o) \$10,000,000 the first year is for distributed
54.5 energy grants under Minnesota Statutes,
54.6 section 216C.377. Money under this paragraph
54.7 is transferred from the general fund to the
54.8 distributed energy resources system upgrade
54.9 program account for eligible expenditures
54.10 under the distributed energy resources system
54.11 upgrade program. This is a onetime
54.12 appropriation.
- 54.13 (p) \$5,000,000 the first year is for the
54.14 Minnesota Climate Innovation Finance
54.15 Authority established under Minnesota
54.16 Statutes, section 216C.441, for the purposes
54.17 of Minnesota Statutes, section 216C.441. This
54.18 is a onetime appropriation.
- 54.19 (q) \$1,000,000 the first year is for
54.20 implementing energy benchmarking under
54.21 Minnesota Statutes, section 216C.331. This
54.22 appropriation is onetime and is available until
54.23 June 30, 2027.
- 54.24 (r) \$750,000 the first year is for grants to
54.25 qualifying utilities to support the development
54.26 of technology for implementing energy
54.27 benchmarking under Minnesota Statutes,
54.28 section 216C.331. This is a onetime
54.29 appropriation and is available until June 30,
54.30 2026.
- 54.31 (s) \$750,000 the first year is for a grant to
54.32 Building Owners and Managers Association
54.33 Greater Minneapolis to establish partnerships
54.34 with three technical colleges and high school

55.1 career counselors with a goal of increasing the
55.2 number of building engineers across
55.3 Minnesota. This is a onetime appropriation
55.4 and is available until June 30, 2027. The grant
55.5 recipient must provide a detailed report
55.6 describing how the grant money was used to
55.7 the chairs and ranking minority members of
55.8 the legislative committees having jurisdiction
55.9 over higher education by January 15 of each
55.10 year until 2028. The report must describe the
55.11 progress made toward the goal of increasing
55.12 the number of building engineers and
55.13 strategies used.

55.14 (t) \$6,000,000 the first year is to implement
55.15 the heat pump rebate program under
55.16 Minnesota Statutes, section 216C.45, and to
55.17 reimburse the reasonable costs incurred by the
55.18 department to administer the program. Of this
55.19 amount: (1) \$4,000,000 is to award rebates
55.20 under Minnesota Statutes, section 216C.45,
55.21 subdivision 4; and (2) \$2,000,000 is to conduct
55.22 contractor training and support under
55.23 Minnesota Statutes, section 216C.45,
55.24 subdivision 6. This is a onetime appropriation
55.25 and is available until June 30, 2027.

55.26 (u) \$2,000,000 the first year is to award
55.27 rebates to purchase or lease eligible electric
55.28 vehicles under Minnesota Statutes, section
55.29 216C.401. Rebates must be awarded under
55.30 this paragraph only to eligible purchasers
55.31 located outside the retail electric service area
55.32 of the public utility that is subject to
55.33 Minnesota Statutes, section 116C.779. This is
55.34 a onetime appropriation and is available until
55.35 June 30, 2027.

56.1 (v) \$2,000,000 the first year is to award grants
56.2 under Minnesota Statutes, section 216C.402,
56.3 to automobile dealers seeking certification to
56.4 sell electric vehicles. Grants must only be
56.5 awarded under this paragraph to eligible
56.6 dealers located outside the retail electric
56.7 service area of the public utility that is subject
56.8 to Minnesota Statutes, section 116C.779. This
56.9 is a onetime appropriation and is available
56.10 until June 30, 2027.

56.11 (w) \$2,000,000 the first year is for grants to
56.12 install on-site energy storage systems, as
56.13 defined in Minnesota Statutes, section
56.14 216B.2422, subdivision 1, paragraph (f), with
56.15 a capacity of 50 kilowatt hours or less and that
56.16 are located outside the electric service area of
56.17 the electric utility subject to Minnesota
56.18 Statutes, section 116C.779. To receive a grant
56.19 under this paragraph, an owner of the energy
56.20 storage system must be operating a solar
56.21 energy generating system at the same site as
56.22 the energy storage system or have filed an
56.23 application with a utility to interconnect a solar
56.24 energy generating system at the same site as
56.25 the energy storage system. This is a onetime
56.26 appropriation and is available until June 30,
56.27 2027.

56.28 (x) \$500,000 the first year is for a feasibility
56.29 study to identify and process Minnesota iron
56.30 resources that could be suitable for upgrading
56.31 to long-term battery storage specifications.
56.32 The results of the feasibility study must be
56.33 submitted to the commissioner of commerce
56.34 and to the chairs and ranking minority
56.35 members of the house of representatives and

57.1 senate committees with jurisdiction over
 57.2 energy policy no later than February 1, 2025.

57.3 This is a onetime appropriation.

57.4 (y) \$15,000,000 the first year is for electric
 57.5 grid resiliency grants under article 47, section
 57.6 48. This is a onetime appropriation and is
 57.7 available until June 30, 2028.

57.8 (z) \$2,000,000 the first year is for electric
 57.9 school bus grants under Minnesota Statutes,
 57.10 section 216B.1616. Money under this
 57.11 paragraph is transferred from the general fund
 57.12 to the electric school bus program account.

57.13 This is a onetime appropriation.

57.14 (aa) \$1,000,000 the first year is for grants
 57.15 under the Air Ventilation Program Act.

57.16 Subd. 3. **Petroleum Tank Release Compensation**
 57.17 **Board**

1,076,000

1,097,000

57.18 This appropriation is from the petroleum tank
 57.19 fund.

57.20 Sec. 3. **PUBLIC UTILITIES COMMISSION** \$

10,383,000 \$

10,645,000

57.21 Sec. 4. **AGRICULTURE** \$

12,892,000 \$

0

57.22 \$12,892,000 the first year is for grants to
 57.23 cooperatives to invest in green fertilizer
 57.24 production facilities, as provided under article
 57.25 4, section 47. This is a onetime appropriation
 57.26 and is available until June 30, 2032.

57.27 Sec. 5. **ADMINISTRATION** \$

1,512,000 \$

0

57.28 (a) \$690,000 the first year is for a contract
 57.29 with the Board of Regents of the University
 57.30 of Minnesota for the Institute on the
 57.31 Environment to research and provide
 57.32 recommendations for establishing new energy
 57.33 guidelines for state buildings under Minnesota

58.1 Statutes, section 16B.325, subdivision 2. The
 58.2 grant agreement must require the director of
 58.3 the Institute on the Environment to submit a
 58.4 written report that summarizes the findings
 58.5 and recommendations, including
 58.6 recommendations for policy and legislative
 58.7 changes, to the chairs and ranking minority
 58.8 members of the legislative committees in the
 58.9 house of representatives and the senate with
 58.10 primary jurisdiction over energy policy and
 58.11 capital investment.

58.12 (b) \$500,000 the first year is for grants and
 58.13 the environmental analysis of construction
 58.14 materials under Minnesota Statutes, section
 58.15 16B.312. Of this amount, \$300,000 is
 58.16 transferred to the Department of
 58.17 Transportation.

58.18 (c) \$322,000 the first year is for a grant to
 58.19 Lake of the Woods County to demolish the
 58.20 abandoned state-owned Williams School
 58.21 building in the city of Williams and to abate
 58.22 and remediate petroleum, pollutants, or
 58.23 contaminants at the school site. This is a
 58.24 onetime appropriation.

ARTICLE 3

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

58.25
 58.26
 58.27 Section 1. RENEWABLE DEVELOPMENT FINANCE.

58.28 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 58.29 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,
 58.30 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 58.31 development account in the special revenue fund established in Minnesota Statutes, section
 58.32 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 58.33 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 58.34 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

60.1 **Subd. 4. Microgrid Research and Application**

60.2 (a) \$3,000,000 the first year and \$400,000 the
60.3 second year are for a grant to the University
60.4 of St. Thomas Center for Microgrid Research
60.5 for the purposes of paragraph (b). The base in
60.6 fiscal year 2026 is \$400,000 and \$0 in fiscal
60.7 year 2027.

60.8 (b) The appropriations in this subdivision must
60.9 be used by the University of St. Thomas
60.10 Center for Microgrid Research to:

60.11 (1) increase the center's capacity to provide
60.12 industry partners opportunities to test
60.13 near-commercial microgrid products on a
60.14 real-world scale and to multiply opportunities
60.15 for innovative research;

60.16 (2) procure advanced equipment and controls
60.17 to enable the extension of the university's
60.18 microgrid to additional buildings; and

60.19 (3) expand (i) hands-on educational
60.20 opportunities for undergraduate and graduate
60.21 electrical engineering students to increase
60.22 understanding of microgrid operations, and
60.23 (ii) partnerships with community colleges.

60.24 (c) \$4,100,000 the first year is for a grant to
60.25 the University of St. Thomas Center for
60.26 Microgrid Research for capacity building and
60.27 matching requirements as a condition of
60.28 receiving federal funds. This appropriation is
60.29 available until June 30, 2027.

60.30 **Subd. 5. Solar on State College and University**
60.31 **Campuses**

60.32 \$1,138,000 the first year is to provide financial
60.33 assistance to schools that are state colleges
60.34 and universities to purchase and install solar

61.1 energy generating systems under Minnesota
61.2 Statutes, section 216C.376. This appropriation
61.3 must be expended on schools located inside
61.4 the electric service territory of the public
61.5 utility that is subject to Minnesota Statutes,
61.6 section 116C.779. This is a onetime
61.7 appropriation and is available until June 30,
61.8 2025.

61.9 **Subd. 6. Granite Falls Hydroelectric Generating**
61.10 **Facility**

61.11 \$2,432,000 the first year is for a grant to the
61.12 city of Granite Falls for repair and overage
61.13 costs related to the city's existing hydroelectric
61.14 generating facility. This is a onetime
61.15 appropriation and any amount unexpended by
61.16 June 30, 2025, cancels to the renewable
61.17 development account.

61.18 **Subd. 7. National Sports Center Solar Array**

61.19 \$4,150,000 the first year is to the Minnesota
61.20 Amateur Sports Commission to install solar
61.21 arrays. This appropriation may be used to
61.22 replace the roof and install solar arrays on an
61.23 ice rink and a maintenance facility at the
61.24 National Sports Center in Blaine. This is a
61.25 onetime appropriation.

61.26 **Subd. 8. Electric Vehicle Rebates**

61.27 (a) \$2,000,000 the first year is to award rebates
61.28 to purchase or lease eligible electric vehicles
61.29 under Minnesota Statutes, section 216C.401.
61.30 Rebates must be awarded under this paragraph
61.31 only to eligible purchasers located within the
61.32 retail electric service area of the public utility
61.33 that is subject to Minnesota Statutes, section
61.34 116C.779. This is a onetime appropriation and
61.35 is available until June 30, 2027.

62.1 (b) \$2,000,000 the first year is to award grants
 62.2 under Minnesota Statutes, section 216C.402,
 62.3 to automobile dealers seeking certification
 62.4 from an electric vehicle manufacturer to sell
 62.5 electric vehicles. Rebates must only be
 62.6 awarded under this paragraph to eligible
 62.7 dealers located within the retail electric service
 62.8 area of the public utility that is subject to
 62.9 Minnesota Statutes, section 116C.779. This is
 62.10 a onetime appropriation and is available until
 62.11 June 30, 2027.

62.12 **Subd. 9. Area C Contingency Account**

62.13 \$3,000,000 the first year is transferred from
 62.14 the renewable development account to the
 62.15 Area C contingency account for the purposes
 62.16 of Minnesota Statutes, section 116C.7793.
 62.17 This appropriation is available until June 30,
 62.18 2028, or five years after the Pollution Control
 62.19 Agency issues any corrective action
 62.20 determination regarding the remediation of
 62.21 Area C under Minnesota Statutes, section
 62.22 116C.7793, subdivision 3, whichever is later.
 62.23 Any unexpended money remaining in the
 62.24 account on June 30, 2028, cancels to the
 62.25 renewable development account.

62.26 **Subd. 10. Electric Panel Upgrade Grants**

62.27 \$3,500,000 the first year is for the purpose of
 62.28 awarding electric panel upgrade grants under
 62.29 Minnesota Statutes, section 216C.46, and to
 62.30 reimburse the reasonable cost of the
 62.31 department to administer the program. Grants
 62.32 awarded with funds appropriated under this
 62.33 subdivision must be awarded only to owners
 62.34 of single-family homes or multifamily
 62.35 buildings that are located within the electric

63.1 service area of the public utility subject to
 63.2 Minnesota Statutes, section 116C.779. This is
 63.3 a onetime appropriation and remains available
 63.4 until June 30, 2027. Any unexpended money
 63.5 that remains unexpended on June 30, 2027,
 63.6 cancels to the renewable development account.

63.7 **Subd. 11. Emerald Ash Borer Wood Dehydrator**

63.8 (a) \$2,000,000 the second year is for a grant
 63.9 to the owner of a biomass energy generation
 63.10 plant in Shakopee that uses waste heat from
 63.11 the generation of electricity in the malting
 63.12 process to purchase a wood dehydrator to
 63.13 facilitate disposal of wood that is infested by
 63.14 emerald ash borer. This is a onetime
 63.15 appropriation.

63.16 (b) By October 1, 2024, the commissioner of
 63.17 commerce must report to the chairs and
 63.18 ranking minority members of the legislative
 63.19 committees and divisions with jurisdiction
 63.20 over commerce on the use of money
 63.21 appropriated under this subdivision.

63.22 **Subd. 12. Energy Storage Incentive Grants**

63.23 \$5,000,000 the first year is to award grants to
 63.24 install energy storage systems under
 63.25 Minnesota Statutes, section 216C.379, and to
 63.26 pay the reasonable costs incurred by the
 63.27 department to administer Minnesota Statutes,
 63.28 section 216C.379. This is a onetime
 63.29 appropriation and is available until June 30,
 63.30 2027.

63.31 **Subd. 13. Distributive Energy Resources System**
 63.32 **Upgrades**

63.33 \$5,000,000 the second year is for eligible
 63.34 expenditures under the distributed energy

64.1 resources system upgrade program established
64.2 in Minnesota Statutes, section 216C.377. Of
64.3 this amount, \$250,000 is to implement the
64.4 small interconnection cost-sharing program
64.5 ordered by the Public Utilities Commission
64.6 on December 19, 2022, in Docket
64.7 E002/M-18-714, to cover the costs of certain
64.8 distribution upgrades for customers of the
64.9 utility subject to Minnesota Statutes, section
64.10 116C.779, seeking to interconnect distributed
64.11 generation of up to a certain size. The
64.12 appropriation under this subdivision may be
64.13 used for the reasonable costs of distribution
64.14 upgrades as defined in Minnesota Statutes,
64.15 section 216C.377, subdivision 1. Money under
64.16 this subdivision is transferred from the
64.17 renewable development account to the
64.18 distributed energy resource system upgrade
64.19 program account for the purposes of this
64.20 subdivision.

64.21 **Subd. 14. Heat Pump Grants**

64.22 \$6,000,000 the first year is to implement the
64.23 heat pump rebate program under Minnesota
64.24 Statutes, section 216C.45, and to reimburse
64.25 the reasonable costs incurred by the
64.26 department to administer the program.

64.27 **Subd. 15. Solar on Public Buildings**

64.28 \$5,000,000 the first year is transferred from
64.29 the renewable development account to the
64.30 solar on public buildings grant program
64.31 account for the grant program described in
64.32 Minnesota Statutes, section 216C.378. The
64.33 appropriation in this subdivision must be used
64.34 only to provide grants to public buildings
64.35 located within the electric service area of the

65.1 electric utility subject to Minnesota Statutes,
 65.2 section 116C.779.

65.3 **Subd. 16. Electric School Bus Grants**

65.4 \$5,000,000 the first year is transferred from
 65.5 the renewable development account to the
 65.6 electric school bus account for electric school
 65.7 bus grants under Minnesota Statutes, section
 65.8 216B.1616.

65.9 **Sec. 3. DEPARTMENT OF**
 65.10 **ADMINISTRATION**

\$ **90,000 **\$** **92,000****

65.11 \$90,000 the first year and \$92,000 the second
 65.12 year are for software and administrative costs
 65.13 associated with the state building energy
 65.14 conservation improvement revolving loan
 65.15 program under Minnesota Statutes, section
 65.16 16B.87.

65.17 **Sec. 4. DEPARTMENT OF EMPLOYMENT**
 65.18 **AND ECONOMIC DEVELOPMENT**

\$ **5,000,000 **\$** **0****

65.19 \$5,000,000 the first year is for the community
 65.20 energy transition grant program under
 65.21 Minnesota Statutes, section 116J.55. This is
 65.22 a onetime appropriation and is available until
 65.23 June 30, 2028.

65.24 **Sec. 5. AGRICULTURE**

\$ **0 **\$** **9,000,000****

65.25 \$9,000,000 the second year is for grants to
 65.26 cooperatives to invest in green fertilizer
 65.27 production facilities, as provided under article
 65.28 7, section 50. This is a onetime appropriation
 65.29 and is available until June 30, 2027.

66.1 **ARTICLE 4**

66.2 **ENVIRONMENT AND NATURAL RESOURCES MODIFICATIONS**

66.3 Section 1. Minnesota Statutes 2022, section 35.155, subdivision 1, is amended to read:

66.4 Subdivision 1. **Running at large prohibited.** (a) An owner may not allow farmed
66.5 Cervidae to run at large. The owner must make all reasonable efforts to return escaped
66.6 farmed Cervidae to their enclosures as soon as possible. The owner must immediately notify
66.7 the commissioner of natural resources of the escape of farmed Cervidae if the farmed
66.8 Cervidae are not returned or captured by the owner within 24 hours of their escape.

66.9 (b) An owner is liable for expenses of another person in capturing, caring for, and
66.10 returning farmed Cervidae that have left their enclosures if the person capturing the farmed
66.11 Cervidae contacts the owner as soon as possible.

66.12 (c) If an owner is unwilling or unable to capture escaped farmed Cervidae, the
66.13 commissioner of natural resources may destroy the escaped farmed Cervidae. The
66.14 commissioner of natural resources must allow the owner to attempt to capture the escaped
66.15 farmed Cervidae prior to destroying the farmed Cervidae. Farmed Cervidae that are not
66.16 captured by 24 hours after escape may be destroyed.

66.17 (d) A hunter licensed by the commissioner of natural resources under chapter 97A may
66.18 kill and possess escaped farmed Cervidae in a lawful manner and is not liable to the owner
66.19 for the loss of the animal.

66.20 (e) Escaped farmed Cervidae killed by a hunter or destroyed by the commissioner of
66.21 natural resources must be tested for chronic wasting disease.

66.22 (f) The owner is responsible for proper disposal, as determined by the board, of farmed
66.23 Cervidae that are killed or destroyed under this subdivision and test positive for chronic
66.24 wasting disease.

66.25 (g) An owner is liable for any additional costs associated with escaped farmed Cervidae
66.26 that are infected with chronic wasting disease. This paragraph may be enforced by the
66.27 attorney general on behalf of any state agency affected.

66.28 **EFFECTIVE DATE.** This section is effective September 1, 2023.

66.29 Sec. 2. Minnesota Statutes 2022, section 35.155, subdivision 4, is amended to read:

66.30 Subd. 4. **Fencing.** Farmed Cervidae must be confined in a manner designed to prevent
66.31 escape. All perimeter fences for farmed Cervidae must be at least 96 inches in height and
66.32 be constructed and maintained in a way that prevents the escape of farmed Cervidae or,

67.1 entry into the premises by free-roaming Cervidae, and physical contact between farmed
67.2 Cervidae and free-roaming Cervidae. The Board of Animal Health may determine whether
67.3 the construction and maintenance of fencing is adequate under this subdivision and may
67.4 compel corrective action where it determines fencing is inadequate. ~~After July 1, 2019,~~ All
67.5 new fencing installed and all fencing used to repair deficiencies must be high tensile. ~~By~~
67.6 ~~December 1, 2019,~~ All entry areas for farmed Cervidae enclosure areas must have two
67.7 redundant gates, which must be maintained to prevent the escape of animals through an
67.8 open gate. If a fence deficiency allows entry or exit by farmed or wild Cervidae, the owner
67.9 must immediately repair the deficiency. All other deficiencies must be repaired within a
67.10 reasonable time, as determined by the Board of Animal Health, not to exceed ~~45~~ 14 days.
67.11 If a fence deficiency is detected during an inspection, the facility must be reinspected at
67.12 least once in the subsequent three months. The farmed Cervidae owner must pay a
67.13 reinspection fee equal to one-half the applicable annual inspection fee under subdivision
67.14 7a for each reinspection related to a fence violation. If the facility experiences more than
67.15 one escape incident in any six-month period or fails to correct a deficiency found during
67.16 an inspection, the board may revoke the facility's registration and order the owner to remove
67.17 or destroy the animals as directed by the board. If the board revokes a facility's registration,
67.18 the commissioner of natural resources may seize and destroy animals at the facility.

67.19 **EFFECTIVE DATE.** This section is effective September 1, 2024.

67.20 Sec. 3. Minnesota Statutes 2022, section 35.155, subdivision 10, is amended to read:

67.21 Subd. 10. **Mandatory registration.** (a) A person may not possess live Cervidae in
67.22 Minnesota unless the person is registered with the Board of Animal Health and meets all
67.23 the requirements for farmed Cervidae under this section. Cervidae possessed in violation
67.24 of this subdivision may be seized and destroyed by the commissioner of natural resources.

67.25 (b) A person whose registration is revoked by the board is ineligible for future registration
67.26 under this section unless the board determines that the person has undertaken measures that
67.27 make future escapes extremely unlikely.

67.28 (c) The board must not allow new registrations under this section for possessing
67.29 white-tailed deer. A valid registration may be sold or transferred only once under this
67.30 paragraph. Before the board approves a sale or transfer under this paragraph, the board must
67.31 verify that the herd is free from chronic wasting disease.

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

68.1 Sec. 4. Minnesota Statutes 2022, section 35.155, subdivision 11, is amended to read:

68.2 Subd. 11. **Mandatory surveillance for chronic wasting disease; depopulation.** (a)

68.3 An inventory for each farmed Cervidae herd must be verified by an accredited veterinarian
68.4 and filed with the Board of Animal Health every 12 months.

68.5 (b) Movement of farmed Cervidae from any premises to another location must be reported
68.6 to the Board of Animal Health within 14 days of the movement on forms approved by the
68.7 Board of Animal Health. A person must not move farmed white-tailed deer from a herd that
68.8 tests positive for chronic wasting disease from any premises to another location.

68.9 (c) All animals from farmed Cervidae herds that are over ~~12~~ six months of age that die
68.10 or are slaughtered must be tested for chronic wasting disease.

68.11 (d) The owner of a premises where chronic wasting disease is detected must:

68.12 (1) allow and cooperate with inspections of the premises as determined by the Board of
68.13 Animal Health and Department of Natural Resources conservation officers and wildlife
68.14 managers;

68.15 ~~(1)~~ (2) depopulate the premises of Cervidae after the federal indemnification process
68.16 has been completed or, if an indemnification application is not submitted, within a ~~reasonable~~
68.17 ~~time determined by the board in consultation with the commissioner of natural resources~~
68.18 30 days;

68.19 ~~(2)~~ (3) maintain the fencing required under subdivision 4 on the premises for ~~five~~ ten
68.20 years after the date of detection; ~~and~~

68.21 ~~(3)~~ (4) post the fencing on the premises with biohazard signs as directed by the board;

68.22 (5) not raise farmed Cervidae on the premises for at least ten years;

68.23 (6) before signing an agreement to sell or transfer the property, disclose in writing to
68.24 the buyer or transferee the date of depopulation and the requirements incumbent upon the
68.25 premises and the buyer or transferee under this paragraph; and

68.26 (7) record with the county recorder or registrar of titles as appropriate, in the county
68.27 where the premises is located, a notice, in the form required by the board that meets the
68.28 recording requirements of sections 507.093 and 507.24, and that includes the nearest address
68.29 and the legal description of the premises, the date of detection, the date of depopulation,
68.30 the landowner requirements under this paragraph, and any other information required by
68.31 the board. The legal description must be the legal description of record with the county
68.32 recorder or registrar of titles and must not otherwise be the real estate tax statement legal

69.1 description for the premises. The notice expires and has no effect ten years after the date
 69.2 of detection stated in the notice. An expired notice must be omitted by the registrar of titles
 69.3 from future certificates of title.

69.4 (e) An owner of farmed Cervidae that test positive for chronic wasting disease is
 69.5 responsible for proper disposal of the animals, as determined by the board.

69.6 Sec. 5. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to
 69.7 read:

69.8 Subd. 11a. **Liability.** (a) A herd owner is liable in a civil action to a person injured by
 69.9 the owner's sale or unlawful disposal of farmed Cervidae if the herd owner knew or
 69.10 reasonably should have known that the farmed Cervidae were infected with or exposed to
 69.11 chronic wasting disease. Action may be brought in a county where the farmed Cervidae are
 69.12 sold, delivered, or unlawfully disposed.

69.13 (b) A herd owner is liable to the state for costs associated with the owner's unlawful
 69.14 disposal of farmed Cervidae infected with or exposed to chronic wasting disease. This
 69.15 paragraph may be enforced by the attorney general on behalf of any state agency affected.

69.16 Sec. 6. Minnesota Statutes 2022, section 35.155, subdivision 12, is amended to read:

69.17 Subd. 12. **Importation.** (a) A person must not import live Cervidae or Cervidae semen
 69.18 into the state from a herd that is:

69.19 (1) infected with or has been exposed to chronic wasting disease; or

69.20 (2) from a ~~known~~ state or province where chronic wasting disease ~~endemic area, as~~
 69.21 ~~determined by the board~~ is present in farmed or wild Cervidae populations.

69.22 (b) A person may import live Cervidae or Cervidae semen into the state only from a
 69.23 herd that:

69.24 (1) is not ~~in a known~~ located in a state or province where chronic wasting disease ~~endemic~~
 69.25 ~~area, as determined by the board,~~ is present in farmed or wild Cervidae populations; and
 69.26 the herd

69.27 (2) has been subject to a ~~state or provincial approved~~ state- or provincial-approved
 69.28 chronic wasting disease monitoring program for at least three years.

69.29 (c) Cervidae or Cervidae semen imported in violation of this section may be seized and
 69.30 destroyed by the commissioner of natural resources.

70.1 (d) Nothing in this section prohibits a person from importing Cervidae semen from a
70.2 herd certified as low-risk for chronic wasting disease under the chronic wasting disease
70.3 voluntary herd certification program operated by the United States Department of
70.4 Agriculture's Animal and Plant Health Inspection Service.

70.5 (e) Nothing in this subdivision shall be construed to prevent:

70.6 (1) interstate transfer of animals between two facilities accredited by the Association of
70.7 Zoos and Aquariums; or

70.8 (2) importation of orphaned wild Cervidae for placement at an institution accredited by
70.9 the Association of Zoos and Aquariums when approved on a case-by-case basis by the
70.10 commissioner of natural resources.

70.11 Sec. 7. Minnesota Statutes 2022, section 35.155, is amended by adding a subdivision to
70.12 read:

70.13 Subd. 15. **Cooperation with Board of Animal Health.** The commissioner of natural
70.14 resources may contract with the Board of Animal Health to administer some or all of sections
70.15 35.153 to 35.156 for farmed white-tailed deer.

70.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

70.17 Sec. 8. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to
70.18 read:

70.19 Subd. 3. **Consultation required.** The Board of Animal Health and the commissioner
70.20 of natural resources must consult the Minnesota Center for Prion Research and Outreach
70.21 at the University of Minnesota and incorporate peer-reviewed scientific information when
70.22 administering and enforcing section 35.155 and associated rules pertaining to chronic wasting
70.23 disease and farmed Cervidae.

70.24 Sec. 9. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to
70.25 read:

70.26 Subd. 4. **Notice required.** The Board of Animal Health must promptly notify affected
70.27 local units of government and Tribal governments when an animal in a farmed Cervidae
70.28 herd tests positive for chronic wasting disease.

71.1 Sec. 10. Minnesota Statutes 2022, section 35.156, is amended by adding a subdivision to
71.2 read:

71.3 Subd. 5. **Annual testing required.** (a) Once the United States Department of Agriculture
71.4 has determined that the RT-QuIC test is capable of accurately detecting chronic wasting
71.5 disease in white-tailed deer, the Board of Animal Health must have each farmed white-tailed
71.6 deer possessed by a person registered under section 35.155 annually tested for chronic
71.7 wasting disease using a real-time quaking-induced conversion (RT-QuIC) test offered by
71.8 a public or private diagnostic laboratory. Live-animal testing must consist of an ear biopsy,
71.9 the collection of which must be managed by the Board of Animal Health, with each laboratory
71.10 reporting RT-QuIC results to both the commissioner of natural resources and the Board of
71.11 Animal Health in the form required by both agencies. If a white-tailed deer tests positive,
71.12 the owner must have the animal tested a second time using an RT-QuIC test performed on
71.13 both a second ear biopsy and a tonsil or rectal biopsy.

71.14 (b) If a farmed white-tailed deer tests positive using an RT-QuIC test performed on both
71.15 a second ear biopsy and a tonsil or rectal biopsy, the owner must have the animal destroyed
71.16 and tested for chronic wasting disease using a postmortem test approved by the Board of
71.17 Animal Health.

71.18 (c) If a farmed white-tailed deer tests positive for chronic wasting disease under paragraph
71.19 (b), the owner must depopulate the premises of farmed Cervidae as required under section
71.20 35.155, subdivision 11.

71.21 Sec. 11. Minnesota Statutes 2022, section 84.415, subdivision 3, is amended to read:

71.22 Subd. 3. **Application, form.** The application for license or permit ~~shall be in~~
71.23 ~~quadruplicate, and shall~~ must include ~~with each copy~~ a legal description of the lands or
71.24 waters affected, a metes and bounds description of the required right-of-way, a map showing
71.25 said features, and a detailed design of any structures necessary, or in lieu thereof shall be
71.26 in such other form, and include such other descriptions, maps or designs, as the commissioner
71.27 may require. The commissioner may at any time order such changes or modifications
71.28 respecting construction or maintenance of structures or other conditions of the license or
71.29 permit as the commissioner deems necessary to protect the public health and safety.

71.30 Sec. 12. **[86B.30] DEFINITIONS.**

71.31 Subdivision 1. **Applicability.** The definitions in this section apply to sections 86B.30
71.32 to 86B.341.

72.1 Subd. 2. **Accompanying operator.** "Accompanying operator" means a person 21 years
72.2 of age or older who:

72.3 (1) is in a personal watercraft or other type of motorboat;

72.4 (2) is within immediate reach of the controls of the motor; and

72.5 (3) possesses a valid operator's permit or is an exempt operator.

72.6 Subd. 3. **Adult operator.** "Adult operator" means a motorboat operator, including a
72.7 personal watercraft operator, who is 12 years of age or older and who was:

72.8 (1) effective July 1, 2025, born on or after July 1, 2004;

72.9 (2) effective July 1, 2026, born on or after July 1, 2000;

72.10 (3) effective July 1, 2027, born on or after July 1, 1996; and

72.11 (4) effective July 1, 2028, born on or after July 1, 1987.

72.12 Subd. 4. **Exempt operator.** "Exempt operator" means a motorboat operator, including
72.13 a personal watercraft operator, who is 12 years of age or older and who:

72.14 (1) possesses a valid license to operate a motorboat issued for maritime personnel by
72.15 the United States Coast Guard under Code of Federal Regulations, title 46, part 10, or a
72.16 marine certificate issued by the Canadian government;

72.17 (2) is not a resident of the state, is temporarily using the waters of the state for a period
72.18 not to exceed 60 days, and:

72.19 (i) meets any applicable requirements of the state or country of residency; or

72.20 (ii) possesses a Canadian pleasure craft operator's card;

72.21 (3) is operating a motorboat under a dealer's license according to section 86B.405; or

72.22 (4) is operating a motorboat during an emergency.

72.23 Subd. 5. **Motorboat rental business.** "Motorboat rental business" means a person
72.24 engaged in the business of renting or leasing motorboats, including personal watercraft, for
72.25 a period not exceeding 30 days. Motorboat rental business includes a person's agents and
72.26 employees but does not include a resort business.

72.27 Subd. 6. **Resort business.** "Resort business" means a person engaged in the business of
72.28 providing lodging and recreational services to transient guests classified as a resort under
72.29 section 273.13, subdivision 22 or 25. A resort business includes a person's agents and
72.30 employees.

73.1 Subd. 7. **Young operator.** "Young operator" means a motorboat operator, including a
73.2 personal watercraft operator, younger than 12 years of age.

73.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

73.4 Sec. 13. **[86B.302] WATERCRAFT OPERATOR'S PERMIT.**

73.5 Subdivision 1. **Generally.** The commissioner must issue a watercraft operator's permit
73.6 to a person 12 years of age or older who successfully completes a water safety course and
73.7 written test according to section 86B.304, paragraph (a), or who provides proof of completing
73.8 a program subject to a reciprocity agreement or certified by the commissioner as substantially
73.9 similar.

73.10 Subd. 2. **Issuing permit to certain young operators.** The commissioner may issue a
73.11 permit under this section to a person who is at least 11 years of age, but the permit is not
73.12 valid until the person becomes an adult operator.

73.13 Subd. 3. **Personal possession required.** (a) A person who is required to have a watercraft
73.14 operator's permit must have in personal possession:

73.15 (1) a valid watercraft operator's permit;

73.16 (2) a driver's license that has a valid watercraft operator's permit indicator issued under
73.17 section 171.07, subdivision 20; or

73.18 (3) an identification card that has a valid watercraft operator's permit indicator issued
73.19 under section 171.07, subdivision 20.

73.20 (b) A person who is required to have a watercraft operator's permit must display one of
73.21 the documents described in paragraph (a) to a conservation officer or peace officer upon
73.22 request.

73.23 Subd. 4. **Using electronic device to display proof of permit.** If a person uses an
73.24 electronic device to display a document described in subdivision 3 to a conservation officer
73.25 or peace officer:

73.26 (1) the officer is immune from liability for any damage to the device, unless the officer
73.27 does not exercise due care in handling the device; and

73.28 (2) this does not constitute consent for the officer to access other contents on the device.

73.29 **EFFECTIVE DATE.** This section is effective July 1, 2025.

74.1 Sec. 14. **[86B.303] OPERATING PERSONAL WATERCRAFT AND OTHER**
74.2 **MOTORBOATS.**

74.3 Subdivision 1. **Adult operators.** An adult operator may not operate a motorboat,
74.4 including a personal watercraft, unless:

74.5 (1) the adult operator possesses a valid watercraft operator's permit;

74.6 (2) the adult operator is an exempt operator; or

74.7 (3) an accompanying operator is in the motorboat.

74.8 Subd. 2. **Young operators.** (a) A young operator may not operate a personal watercraft
74.9 or any motorboat powered by a motor with a factory rating of more than 75 horsepower.

74.10 (b) A young operator may operate a motorboat that is not a personal watercraft and that
74.11 is powered by a motor with a factory rating of less than 75 horsepower if an accompanying
74.12 operator is in the motorboat.

74.13 Subd. 3. **Accompanying operators.** For purposes of this section and section 169A.20,
74.14 an accompanying operator, as well as the actual operator, is operating and is in physical
74.15 control of a motorboat.

74.16 Subd. 4. **Owners may not allow unlawful use.** An owner or other person in lawful
74.17 control of a motorboat may not allow the motorboat to be operated contrary to this section.

74.18 Subd. 5. **Exception for low-powered motorboats.** Notwithstanding the other provisions
74.19 of this section, a person of any age may operate a motorboat that is not a personal watercraft
74.20 that is powered by a motor with a factory rating of 25 horsepower or less without possessing
74.21 a valid watercraft operator's permit and without an accompanying operator in the motorboat.

74.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

74.23 Sec. 15. **[86B.304] WATERCRAFT SAFETY PROGRAM.**

74.24 (a) The commissioner must establish a water safety course and testing program for
74.25 personal watercraft and watercraft operators and must prescribe a written test as part of the
74.26 course. The course must be approved by the National Association of State Boating Law
74.27 Administrators and must be available online. The commissioner may allow designated water
74.28 safety courses administered by third parties to meet the requirements of this paragraph and
74.29 may enter into reciprocity agreements or otherwise certify boat safety education programs
74.30 from other states that are substantially similar to in-state programs. The commissioner must
74.31 establish a working group of interested parties to develop course content and implementation.
74.32 The course must include content on best management practices for mitigating aquatic

75.1 invasive species, reducing conflicts among user groups, and limiting the ecological impacts
75.2 of watercraft.

75.3 (b) The commissioner must create or designate a short boater safety examination to be
75.4 administered by motorboat rental businesses, as required by section 86B.306, subdivision
75.5 3. The examination developed under this paragraph must be one that can be administered
75.6 electronically or on paper, at the option of the motorboat rental business administering the
75.7 examination.

75.8 **EFFECTIVE DATE.** This section is effective July 1, 2025.

75.9 **Sec. 16. [86B.306] MOTORBOAT RENTAL BUSINESSES.**

75.10 Subdivision 1. **Requirements.** A motorboat rental business must not rent or lease a
75.11 motorboat, including a personal watercraft, to any person for operation on waters of this
75.12 state unless the renter or lessee:

75.13 (1) has a valid watercraft operator's permit or is an exempt operator; and

75.14 (2) is 18 years of age or older.

75.15 Subd. 2. **Authorized operators.** A motorboat rental business must list on each motorboat
75.16 rental or lease agreement the name and age of each operator who is authorized to operate
75.17 the motorboat or personal watercraft. The renter or lessee of the motorboat must ensure that
75.18 only listed authorized operators operate the motorboat or personal watercraft.

75.19 Subd. 3. **Summary of boating regulations; examination.** (a) A motorboat rental
75.20 business must provide each authorized operator a summary of the statutes and rules governing
75.21 operation of motorboats and personal watercraft in the state and instructions for safe
75.22 operation.

75.23 (b) Each authorized operator must review the summary provided under this subdivision
75.24 and must take a short boater safety examination in a form approved by the commissioner
75.25 before the motorboat or personal watercraft leaves the motorboat rental business premises,
75.26 unless the authorized operator has taken the examination during the previous 60 days.

75.27 Subd. 4. **Safety equipment for personal watercraft.** A motorboat rental business must
75.28 provide to all persons who rent a personal watercraft, at no additional cost, a United States
75.29 Coast Guard (USCG) approved wearable personal flotation device with a USCG label
75.30 indicating it either is approved for or does not prohibit use with personal watercraft or
75.31 water-skiing and any other required safety equipment.

75.32 **EFFECTIVE DATE.** This section is effective July 1, 2025.

76.1 Sec. 17. Minnesota Statutes 2022, section 86B.313, subdivision 4, is amended to read:

76.2 Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall
76.3 distribute a summary of the laws and rules governing the operation of personal watercraft
76.4 and, upon request, shall provide instruction to a purchaser regarding:

76.5 (1) the laws and rules governing personal watercraft; and

76.6 (2) the safe operation of personal watercraft.

76.7 (b) ~~A person who offers personal watercraft for rent:~~

76.8 ~~(1) shall provide a summary of the laws and rules governing the operation of personal~~
76.9 ~~watercraft and provide instruction regarding the laws and rules and the safe operation of~~
76.10 ~~personal watercraft to each person renting a personal watercraft;~~

76.11 ~~(2) shall provide a United States Coast Guard (USCG) approved wearable personal~~
76.12 ~~flotation device with a USCG label indicating it either is approved for or does not prohibit~~
76.13 ~~use with personal watercraft or water-skiing and any other required safety equipment to all~~
76.14 ~~persons who rent a personal watercraft at no additional cost; and~~

76.15 ~~(3) shall require that a watercraft operator's permit from this state or from the operator's~~
76.16 ~~state of residence be shown each time a personal watercraft is rented to any person younger~~
76.17 ~~than age 18 and shall record the permit on the form provided by the commissioner.~~

76.18 ~~(e) Each dealer of personal watercraft or person offering personal watercraft for rent~~
76.19 ~~shall have the person who purchases or rents a personal watercraft sign a form provided by~~
76.20 ~~the commissioner acknowledging that the purchaser or renter has been provided a copy of~~
76.21 ~~the laws and rules regarding personal watercraft operation and has read them. The form~~
76.22 ~~must be retained by the dealer or person offering personal watercraft for rent for a period~~
76.23 ~~of six months following the date of signature and must be made available for inspection by~~
76.24 ~~sheriff's deputies or conservation officers during normal business hours.~~

76.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

76.26 Sec. 18. Minnesota Statutes 2022, section 97A.465, subdivision 3, is amended to read:

76.27 Subd. 3. **Nonresidents stationed in state; spouses.** (a) The commissioner may issue a
76.28 resident license to take fish or game to a person in the armed forces of the United States
76.29 that is stationed in the state. This subdivision paragraph does not apply to the taking of
76.30 moose or elk.

77.1 (b) The commissioner may issue a resident angling license to a person in the armed
 77.2 forces of the United States that is stationed in the state and to the spouse of a person in the
 77.3 armed forces of the United States that is stationed in the state.

77.4 Sec. 19. Minnesota Statutes 2022, section 97A.465, subdivision 8, is amended to read:

77.5 Subd. 8. **Nonresident active members of National Guard; spouses.** (a) A nonresident
 77.6 that is an active a member of the state's National Guard may obtain a resident license to
 77.7 take fish or game. This subdivision paragraph does not apply to the taking of moose or elk.

77.8 (b) A nonresident that is a member of the National Guard or that is the spouse of a
 77.9 member of the National Guard may obtain a resident license to take fish.

77.10 (c) For purposes of this section, the term "member of the National Guard" means an
 77.11 active member of the state's National Guard or an active member of another state's National
 77.12 Guard who is temporarily stationed in this state.

77.13 Sec. 20. Minnesota Statutes 2022, section 97A.475, subdivision 41, is amended to read:

77.14 Subd. 41. **Turtle licenses license.** ~~(a) The fee for a turtle seller's license to sell turtles~~
 77.15 ~~and to take, transport, buy, and possess turtles for sale is \$250.~~

77.16 ~~(b) The fee for a recreational turtle license to take, transport, and possess turtles for~~
 77.17 ~~personal use is \$25 \$5.~~

77.18 ~~(c) The fee for a turtle seller's apprentice license is \$100.~~

77.19 **EFFECTIVE DATE.** This section is effective January 1, 2024.

77.20 Sec. 21. Minnesota Statutes 2022, section 97C.605, subdivision 1, is amended to read:

77.21 Subdivision 1. ~~Resident angling license required~~ **Taking turtles; requirements.** ~~In~~
 77.22 ~~addition to any other license required in this section, (a) A person may not take, possess,~~
 77.23 ~~or transport turtles without a resident angling license, except as provided in subdivision 2c~~
 77.24 ~~and a recreational turtle license.~~

77.25 (b) Turtles taken from the wild are for personal use only and may not be resold.

77.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

77.27 Sec. 22. Minnesota Statutes 2022, section 97C.605, subdivision 2c, is amended to read:

77.28 Subd. 2c. **License exemptions.** (a) A person does not need a turtle seller's license or an
 77.29 angling license the licenses specified under subdivision 1:

- 78.1 ~~(1) when buying turtles for resale at a retail outlet;~~
- 78.2 (1) when buying turtles from a licensed aquatic farm or licensed private fish hatchery
- 78.3 for resale at a retail outlet or restaurant;
- 78.4 (2) when buying a turtle at a retail outlet;
- 78.5 ~~(3) if the person is a nonresident buying a turtle from a licensed turtle seller for export~~
- 78.6 ~~out of state. Shipping documents provided by the turtle seller must accompany each shipment~~
- 78.7 ~~exported out of state by a nonresident. Shipping documents must include: name, address,~~
- 78.8 ~~city, state, and zip code of the buyer; number of each species of turtle; and name and license~~
- 78.9 ~~number of the turtle seller; or~~
- 78.10 ~~(4)~~ (3) to take, possess, and rent ~~or sell~~ up to 25 turtles greater than four inches in length
- 78.11 for the purpose of providing the turtles to participants at a nonprofit turtle race, if the person
- 78.12 is a resident under age 18. The person is responsible for the well-being of the turtles; or
- 78.13 (4) when possessing turtles if under 16 years of age. Notwithstanding any other law to
- 78.14 the contrary, a person under the age of 16 may possess, without a license, up to three snapping
- 78.15 or western painted turtles, provided the turtles are possessed for personal use and are within
- 78.16 the applicable length and width requirements.
- 78.17 (b) A person with an aquatic farm license with a turtle endorsement or a private fish
- 78.18 hatchery license with a turtle endorsement may sell, obtain, possess, transport, and propagate
- 78.19 turtles and turtle eggs without the licenses specified under subdivision 1.
- 78.20 (c) Turtles possessed under this subdivision may not be released back into the wild.
- 78.21 **EFFECTIVE DATE.** This section is effective January 1, 2024.
- 78.22 Sec. 23. Minnesota Statutes 2022, section 97C.605, subdivision 3, is amended to read:
- 78.23 Subd. 3. **Taking; methods prohibited.** ~~(a)~~ A person may not take turtles by using:
- 78.24 (1) explosives, drugs, poisons, lime, and other harmful substances;
- 78.25 ~~(2) traps, except as provided in paragraph (b) and rules adopted under this section;~~
- 78.26 (3) nets other than anglers' fish landing nets;
- 78.27 ~~(4) commercial equipment, except as provided in rules adopted under this section;~~
- 78.28 (5) firearms and ammunition;
- 78.29 (6) bow and arrow or crossbow; or
- 78.30 (7) spears, harpoons, or any other implements that impale turtles.

79.1 ~~(b) Until new rules are adopted under this section, a person with a turtle seller's license~~
 79.2 ~~may take turtles with a floating turtle trap that:~~

79.3 ~~(1) has one or more openings above the water surface that measure at least ten inches~~
 79.4 ~~by four inches; and~~

79.5 ~~(2) has a mesh size of not less than one half inch, bar measure.~~

79.6 **EFFECTIVE DATE.** This section is effective January 1, 2024.

79.7 Sec. 24. Minnesota Statutes 2022, section 97C.611, is amended to read:

79.8 **97C.611 TURTLE SPECIES; LIMITS.**

79.9 Subdivision 1. **Snapping turtles.** A person may not possess more than three snapping
 79.10 turtles of the species *Chelydra serpentina* ~~without a turtle seller's license~~. Until new rules
 79.11 are adopted under section 97C.605, a person may not take snapping turtles of a size less
 79.12 than ten inches wide including curvature, measured from side to side across the shell at
 79.13 midpoint. After new rules are adopted under section 97C.605, a person may only take
 79.14 snapping turtles of a size specified in the adopted rules.

79.15 Subd. 2. **Western painted turtles.** (a) A person may not possess more than three Western
 79.16 painted turtles of the species *Chrysemys picta* ~~without a turtle seller's license~~. Western
 79.17 painted turtles must be between 4 and 5-1/2 inches in shell length.

79.18 (b) This subdivision does not apply to persons acting under section 97C.605, subdivision
 79.19 2c, ~~clause (4) paragraph (a)~~.

79.20 Subd. 3. **Spiny softshell.** ~~A person may not possess spiny softshell turtles of the species~~
 79.21 ~~*Apalone spinifera* after December 1, 2021, without an aquatic farm or private fish hatchery~~
 79.22 ~~license with a turtle endorsement.~~

79.23 Subd. 4. **Other species.** A person may not possess any other species of turtle ~~without~~
 79.24 except with an aquatic farm or private fish hatchery license with a turtle endorsement or as
 79.25 specified under section 97C.605, subdivision 2c.

79.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

79.27 Sec. 25. Minnesota Statutes 2022, section 103B.101, subdivision 9, is amended to read:

79.28 Subd. 9. **Powers and duties.** (a) In addition to the powers and duties prescribed
 79.29 elsewhere, the board shall:

80.1 (1) coordinate the water and soil resources planning and implementation activities of
80.2 counties, soil and water conservation districts, watershed districts, watershed management
80.3 organizations, and any other local units of government through its various authorities for
80.4 approval of local plans, administration of state grants, contracts and easements, and by other
80.5 means as may be appropriate;

80.6 (2) facilitate communication and coordination among state agencies in cooperation with
80.7 the Environmental Quality Board, and between state and local units of government, in order
80.8 to make the expertise and resources of state agencies involved in water and soil resources
80.9 management available to the local units of government to the greatest extent possible;

80.10 (3) coordinate state and local interests with respect to the study in southwestern Minnesota
80.11 under United States Code, title 16, section 1009;

80.12 (4) develop information and education programs designed to increase awareness of local
80.13 water and soil resources problems and awareness of opportunities for local government
80.14 involvement in preventing or solving them;

80.15 (5) provide a forum for the discussion of local issues and opportunities relating to water
80.16 and soil resources management;

80.17 (6) adopt an annual budget and work program that integrate the various functions and
80.18 responsibilities assigned to it by law; and

80.19 (7) report assessments to the governor and the legislature ~~by October 15 of each~~
80.20 ~~even-numbered year with an assessment~~ of board programs and recommendations for any
80.21 program changes and board membership changes necessary to improve state and local efforts
80.22 in water and soil resources management.

80.23 (b) The board may accept grants, gifts, donations, or contributions in money, services,
80.24 materials, or otherwise from the United States, a state agency, or other source to achieve
80.25 an authorized or delegated purpose. The board may enter into a contract or agreement
80.26 necessary or appropriate to accomplish the transfer. The board may conduct or participate
80.27 in local, state, or federal programs or projects that have as one purpose or effect the
80.28 preservation or enhancement of water and soil resources and may enter into and administer
80.29 agreements with local governments or landowners or their designated agents as part of those
80.30 programs or projects. The board may receive and expend money to acquire conservation
80.31 easements, as defined in chapter 84C, on behalf of the state and federal government consistent
80.32 with ~~the~~ Camp Ripley's Army Compatible Use Buffer Project, Sentinel Landscape program,
80.33 or related conservation programs. The board may enter into agreements, including grant
80.34 agreements, with Tribal nations, federal agencies, higher education institutions, local

81.1 governments, and private sector organizations to carry out programs and other responsibilities
 81.2 prescribed or allowed by statute.

81.3 (c) Any money received is hereby deposited in an account in a fund other than the general
 81.4 fund and appropriated and dedicated for the purpose for which it is granted.

81.5 Sec. 26. Minnesota Statutes 2022, section 103B.101, subdivision 16, is amended to read:

81.6 Subd. 16. **Water quality Conservation practices; standardized specifications.** (a)

81.7 The board of ~~Water and Soil Resources shall~~ must work with state and federal agencies,
 81.8 Tribal Nations, academic institutions, local governments, practitioners, and stakeholders to
 81.9 foster mutual understanding and provide recommendations for standardized specifications
 81.10 for ~~water quality and soil conservation protection and improvement practices and~~ projects,
 81.11 and systems for:

81.12 (1) erosion or sedimentation control;

81.13 (2) improvements to water quality or water quantity;

81.14 (3) habitat restoration and enhancement;

81.15 (4) energy conservation; and

81.16 (5) climate adaptation, resiliency, or mitigation.

81.17 (b) The board may convene working groups or work teams to develop information,
 81.18 education, and recommendations.

81.19 Sec. 27. Minnesota Statutes 2022, section 103B.101, is amended by adding a subdivision
 81.20 to read:

81.21 **Subd. 18. Guidelines for establishing and enhancing native vegetation.** (a) The board
 81.22 must work with state and federal agencies, Tribal Nations, academic institutions, local
 81.23 governments, practitioners, and stakeholders to foster mutual understanding and to provide
 81.24 recommendations for standardized specifications to establish and enhance native vegetation
 81.25 to provide benefits for:

81.26 (1) water quality;

81.27 (2) soil conservation;

81.28 (3) habitat enhancement;

81.29 (4) energy conservation; and

81.30 (5) climate adaptation, resiliency, or mitigation.

82.1 (b) The board may convene working groups or work teams to develop information,
 82.2 education, and recommendations.

82.3 Sec. 28. Minnesota Statutes 2022, section 103B.103, is amended to read:

82.4 **103B.103 EASEMENT STEWARDSHIP ACCOUNTS.**

82.5 Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation
 82.6 easement stewardship account and the mitigation easement stewardship account are created
 82.7 in the special revenue fund. The accounts consist of money credited to the accounts and
 82.8 interest and other earnings on money in the accounts. The State Board of Investment must
 82.9 manage the accounts to maximize long-term gain.

82.10 (b) Revenue from contributions and money appropriated for any purposes of the account
 82.11 as described in subdivision 2 must be deposited in the water and soil conservation easement
 82.12 stewardship account. Revenue from contributions, ~~wetland banking~~ mitigation fees designated
 82.13 for stewardship purposes by the board, easement stewardship payments authorized under
 82.14 subdivision 3, and money appropriated for any purposes of the account as described in
 82.15 subdivision 2 must be deposited in the mitigation easement stewardship account.

82.16 Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1
 82.17 each year in the water and soil conservation easement stewardship account and five percent
 82.18 of the balance on July 1 each year in the mitigation easement stewardship account are
 82.19 annually appropriated to the board and may be spent ~~only~~ to cover the costs of managing
 82.20 easements held by the board, including costs associated with:

82.21 (1) repairing or replacing structures;

82.22 (2) monitoring;

82.23 (3) landowner contacts;

82.24 (4) records storage and management;

82.25 (5) processing landowner notices;

82.26 (6) requests for approval or amendments;

82.27 (7) enforcement; and

82.28 (8) legal services associated with easement management activities.

82.29 Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the
 82.30 water and soil conservation easement stewardship account for each conservation easement
 82.31 acquired by the board. The board shall seek a financial contribution or assess an easement

83.1 stewardship payment to the mitigation easement stewardship account for each wetland
 83.2 ~~banking~~ mitigation easement acquired by the board. Unless otherwise provided by law, the
 83.3 board shall determine the amount of the contribution or payment, which must be an amount
 83.4 calculated to earn sufficient money to meet the costs of managing the easement at a level
 83.5 that neither significantly overrecovers nor underrecovers the costs. In determining the
 83.6 amount of the financial contribution, the board shall consider:

83.7 (1) the estimated annual staff hours needed to manage the conservation easement, taking
 83.8 into consideration factors such as easement type, size, location, and complexity;

83.9 (2) the average hourly wages for the class or classes of state and local employees expected
 83.10 to manage the easement;

83.11 (3) the estimated annual travel expenses to manage the easement;

83.12 (4) the estimated annual miscellaneous costs to manage the easement, including supplies
 83.13 and equipment, information technology support, and aerial flyovers;

83.14 (5) the estimated annualized costs of legal services, including the cost to enforce the
 83.15 easement in the event of a violation;

83.16 (6) the estimated annualized costs for repairing or replacing water control structures;
 83.17 and

83.18 ~~(6)~~ (7) the expected rate of return on investments in the account.

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

83.20 **Sec. 29. [103B.104] LAWNS TO LEGUMES PROGRAM.**

83.21 (a) The Board of Water and Soil Resources may provide financial and technical assistance
 83.22 to plant residential landscapes and community spaces with native vegetation and
 83.23 pollinator-friendly forbs and legumes to:

83.24 (1) protect a diversity of pollinators with declining populations; and

83.25 (2) provide additional benefits for water management, carbon sequestration, and landscape
 83.26 and climate resiliency.

83.27 (b) The board must establish criteria for grants or payments awarded under this section.
 83.28 Grants or payments awarded under this section may give priority consideration for proposals
 83.29 in areas identified by the United States Fish and Wildlife Service as areas where there is a
 83.30 high potential for rusty patched bumble bees and other priority species to be present.

84.1 (c) The board may collaborate with and enter into agreements with federal, state, and
 84.2 local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and
 84.3 promote the program.

84.4 Sec. 30. **[103B.105] HABITAT-FRIENDLY UTILITIES PROGRAM.**

84.5 (a) The Board of Water and Soil Resources may provide financial and technical assistance
 84.6 to promote the successful establishment of native vegetation as part of utility projects,
 84.7 including solar and wind projects, pipelines, and electrical transmission corridors, to:

84.8 (1) ensure the integrity and resiliency of Minnesota landscapes; and

84.9 (2) protect habitat and water resources.

84.10 (b) The board must establish criteria for grants or payments awarded under this section.
 84.11 Grants or payments awarded under this section may prioritize proposals in areas identified
 84.12 by state and federal agencies and conservation partners for protecting high-priority natural
 84.13 resources and wildlife species.

84.14 (c) The board may collaborate with and enter into agreements with federal, state, and
 84.15 local agencies; Tribal Nations; utility companies; nonprofit organizations; and contractors
 84.16 to implement and promote the program.

84.17 Sec. 31. **[103B.106] HABITAT ENHANCEMENT LANDSCAPE PROGRAM.**

84.18 (a) The Board of Water and Soil Resources may provide financial and technical assistance
 84.19 to establish or enhance areas of diverse native vegetation to:

84.20 (1) support declining populations of bees, butterflies, dragonflies, birds, and other wildlife
 84.21 species that are essential for ecosystems and food production across conservation lands,
 84.22 open spaces, and natural areas; and

84.23 (2) provide additional benefits for water management, carbon sequestration, and landscape
 84.24 and climate resiliency.

84.25 (b) The board must establish criteria for grants or payments awarded under this section.
 84.26 Grants or payments awarded under this section may prioritize proposals in areas identified
 84.27 by state and federal agencies and conservation partners as high priority for protecting
 84.28 endangered or threatened pollinator and other species.

84.29 (c) The board may collaborate with and enter into agreements with federal, state, and
 84.30 local agencies; Tribal Nations; nonprofit organizations; and contractors to implement and
 84.31 promote the program.

85.1 Sec. 32. Minnesota Statutes 2022, section 103C.501, subdivision 1, is amended to read:

85.2 Subdivision 1. ~~Cost-share~~ **Program authorization.** The state board may allocate
85.3 available funds to districts ~~to share the cost of systems or~~ for practices, projects, and systems
85.4 for:

85.5 (1) erosion or sedimentation control or;

85.6 (2) improvements to water quality improvement that are designed to protect and improve
85.7 soil and water resources; or water quantity;

85.8 (3) habitat enhancement;

85.9 (4) plant biodiversity;

85.10 (5) energy conservation; or

85.11 (6) climate adaptation, resiliency, or mitigation.

85.12 Sec. 33. Minnesota Statutes 2022, section 103C.501, subdivision 4, is amended to read:

85.13 Subd. 4. ~~Cost-sharing~~ **Use of funds.** ~~(a) The state board shall allocate cost-sharing funds~~
85.14 ~~to areas with high-priority erosion, sedimentation, or water quality problems or water quantity~~
85.15 ~~problems due to altered hydrology. The areas must be selected based on priorities established~~
85.16 ~~by the state board.~~

85.17 ~~(b)~~ The allocated funds must be used for:

85.18 (1) for conservation practices for high-priority problems activities, including technical
85.19 and financial assistance, identified in the comprehensive and annual work plans of the
85.20 districts, for the technical assistance portion of the grant funds state-approved plans that are
85.21 related to water and natural resources and established under chapters 103B, 103C, 103D,
85.22 103F, 103G, and 114D;

85.23 (2) to leverage federal or other nonstate funds; or

85.24 (3) to address high-priority needs identified in local water management plans or
85.25 comprehensive watershed management plans by the district based on public input.

85.26 Sec. 34. Minnesota Statutes 2022, section 103C.501, subdivision 5, is amended to read:

85.27 Subd. 5. **Contracts by districts.** (a) A district board may ~~contract on a cost-share basis~~
85.28 ~~to furnish financial aid to~~ provide technical and financial assistance to a land occupier or
85.29 to a state or federal agency for ~~permanent systems~~ practices and projects for:

85.30 (1) erosion or sedimentation control or;

86.1 (2) improvements to water quality or water quantity ~~improvements that are consistent~~
 86.2 ~~with the district's comprehensive and annual work plans;~~

86.3 (3) habitat enhancement;

86.4 (4) plant biodiversity;

86.5 (5) energy conservation; or

86.6 (6) climate adaptation, resiliency, or mitigation.

86.7 ~~(b) A district board, with approval from the state board and,~~ consistent with state board
 86.8 rules and policies, may contract ~~on a cost-share basis to furnish financial aid to a land~~
 86.9 ~~occupier for~~ to provide technical and financial assistance for structural and nonstructural
 86.10 ~~land management practices that are part of a planned erosion control or water quality~~
 86.11 ~~improvement plan and projects.~~

86.12 ~~(c) The duration of the contract must, at a minimum, be the time required to complete~~
 86.13 ~~the planned systems. A contract must specify that the land occupier is liable for monetary~~
 86.14 ~~damages and penalties in an amount up to 150 percent of the financial assistance received~~
 86.15 ~~from the district, for failure to complete the systems or practices in a timely manner or~~
 86.16 ~~maintain the systems or practices as specified in the contract.~~

86.17 ~~(d) A contract may provide for cooperation or funding with federal agencies. A land~~
 86.18 ~~occupier or state agency may provide the cost-sharing portion of the contract through services~~
 86.19 ~~in kind.~~

86.20 ~~(e)~~ (c) The state board or the district board may not furnish any financial aid assistance
 86.21 for practices designed only to increase land productivity.

86.22 ~~(f)~~ (d) When a district board determines that long-term maintenance of a system or
 86.23 practice is desirable, the district or the state board may require that maintenance be made
 86.24 a covenant upon the land for the effective life of the practice. A covenant under this
 86.25 subdivision shall be construed in the same manner as a conservation restriction under section
 86.26 84.65.

86.27 Sec. 35. Minnesota Statutes 2022, section 103C.501, subdivision 6, is amended to read:

86.28 Subd. 6. **Policies and rules.** ~~(a)~~ The state board may adopt rules and shall adopt policies
 86.29 prescribing:

86.30 (1) procedures and criteria for allocating funds ~~for cost-sharing contracts;~~ and

87.1 (2) standards and guidelines for ~~cost-sharing~~ implementing the conservation contracts;
 87.2 program.

87.3 ~~(3) the scope and content of district comprehensive plans, plan amendments, and annual~~
 87.4 ~~work plans;~~

87.5 ~~(4) standards and methods necessary to plan and implement a priority cost-sharing~~
 87.6 ~~program, including guidelines to identify high priority erosion, sedimentation, and water~~
 87.7 ~~quality problems and water quantity problems due to altered hydrology;~~

87.8 ~~(5) the share of the cost of conservation practices to be paid from cost-sharing funds;~~
 87.9 ~~and~~

87.10 ~~(6) requirements for districts to document their efforts to identify and contact land~~
 87.11 ~~occupiers with high priority problems.~~

87.12 ~~(b) The rules may provide that cost sharing may be used for windbreaks and shelterbelts~~
 87.13 ~~for the purposes of energy conservation and snow protection.~~

87.14 Sec. 36. Minnesota Statutes 2022, section 103D.605, subdivision 5, is amended to read:

87.15 Subd. 5. **Establishment order.** After the project hearing, if the managers find that the
 87.16 project will be conducive to public health, will promote the general welfare, and ~~is in~~
 87.17 ~~compliance~~ complies with the watershed management plan and the provisions of this chapter,
 87.18 the ~~board~~ managers must, by order, establish the project. The establishment order must
 87.19 include the findings of the managers.

87.20 Sec. 37. **[103F.06] SOIL HEALTH PRACTICES PROGRAM.**

87.21 Subdivision 1. **Definitions.** (a) In this section, the following terms have the meanings
 87.22 given:

87.23 (1) "board" means the Board of Water and Soil Resources;

87.24 (2) "local units of government" has the meaning given under section 103B.305,
 87.25 subdivision 5; and

87.26 (3) "soil health" has the meaning given under section 103C.101, subdivision 10a.

87.27 Subd. 2. **Establishment.** (a) The board must administer a financial and technical support
 87.28 program to produce soil health practices that achieve water quality, soil productivity, climate
 87.29 change resiliency, or carbon sequestration benefits.

88.1 (b) The program must include but is not limited to no till, field borders, prairie strips,
 88.2 cover crops, and other practices sanctioned by the board or the United States Department
 88.3 of Agriculture's Natural Resources Conservation Service.

88.4 Subd. 3. **Financial and technical assistance.** (a) The board may provide financial and
 88.5 technical support to local units of government, private sector organizations, and farmers to
 88.6 establish soil health practices and related practices with climate and water-quality benefits.

88.7 (b) The board must establish practices and costs that are eligible for financial and technical
 88.8 support under this section.

88.9 Subd. 4. **Program implementation.** (a) The board may employ staff or enter into external
 88.10 agreements to implement this section.

88.11 (b) The board must assist local units of government in achieving the objectives of the
 88.12 program, including assessing practice standards and program effectiveness.

88.13 Subd. 5. **Federal aid availability.** The board must regularly review availability of federal
 88.14 funds and programs to supplement or complement state and other efforts consistent with
 88.15 the purposes of this section.

88.16 Subd. 6. **Soil health practices.** The board, in consultation with the commissioner of
 88.17 agriculture, may cooperate with the United States Department of Agriculture, other federal
 88.18 and state agencies, local governments, and private sector organizations to establish soil
 88.19 health goals for the state that will achieve water quality, soil productivity, climate change
 88.20 resiliency, and carbon sequestration benefits.

88.21 Subd. 7. **Carbon market applicability.** The board, in consultation with the commissioner
 88.22 of agriculture, may cooperate with the United States Department of Agriculture, other federal
 88.23 and state agencies, local governments, and private sector organizations to align or incorporate
 88.24 soil health practices with carbon trading, mitigation, or offset markets and related tracking
 88.25 or recognition efforts.

88.26 Sec. 38. Minnesota Statutes 2022, section 103F.505, is amended to read:

88.27 **103F.505 PURPOSE AND POLICY.**

88.28 (a) It is the purpose of sections 103F.505 to 103F.531 to restore certain marginal
 88.29 agricultural land and protect environmentally sensitive areas to:

88.30 (1) enhance soil and water quality;

88.31 (2) minimize damage to flood-prone areas;

89.1 (3) sequester carbon, ~~and~~;

89.2 (4) support native plant, fish, and wildlife habitats; and

89.3 (5) establish perennial vegetation.

89.4 (b) It is state policy to encourage ~~the~~;

89.5 (1) restoration of wetlands and riparian lands ~~and promote the retirement~~;

89.6 (2) restoration and protection of marginal, highly erodible land, particularly land adjacent

89.7 to public waters, drainage systems, wetlands, and locally designated priority waters; and

89.8 (3) protection of environmentally sensitive areas, including wellhead protection areas,

89.9 grasslands, peatlands, shorelands, and forest lands in priority areas.

89.10 Sec. 39. Minnesota Statutes 2022, section 103F.511, is amended by adding a subdivision

89.11 to read:

89.12 Subd. 5a. **Grasslands.** "Grasslands" means landscapes that are or were formerly

89.13 dominated by grasses, that have a low percentage of trees and shrubs, and that provide

89.14 economic and ecosystem services such as grazing, wildlife habitat, carbon sequestration,

89.15 and water filtration and retention.

89.16 Sec. 40. **[103F.519] REINVEST IN MINNESOTA WORKING LANDS PROGRAM.**

89.17 Subdivision 1. **Establishment.** The board may establish and administer a reinvest in

89.18 Minnesota working lands program that is in addition to the program established under

89.19 section 103F.515. Selecting land for the program must be based on the land's potential for:

89.20 (1) protecting or improving water quality;

89.21 (2) reducing erosion;

89.22 (3) improving soil health;

89.23 (4) reducing chemical inputs;

89.24 (5) improving carbon storage; and

89.25 (6) increasing biodiversity and habitat for fish, wildlife, and native plants.

89.26 Subd. 2. **Applicability.** Section 103F.515 applies to this section except as otherwise

89.27 provided in subdivisions 1, 3, and 4.

89.28 Subd. 3. **Nature of property rights acquired.** Notwithstanding section 103F.515,

89.29 subdivision 4, paragraph (a), the board may authorize haying and livestock grazing, perennial

90.1 or winter annual cover crop production, forest management, or other activities that the board
 90.2 determines are consistent with section 103F.505 or appropriation conditions or criteria.

90.3 Subd. 4. **Payments for easements.** The board must establish payment rates for acquiring
 90.4 easements and for related practices. The board must consider market factors as well as
 90.5 easement terms, including length and allowable uses, when establishing rates.

90.6 **Sec. 41. [103G.216] REPORTING FISH KILLS IN PUBLIC WATERS.**

90.7 Subdivision 1. **Definition.** For the purposes of this section and section 103G.2165, "fish
 90.8 kill" means an incident resulting in the death of 25 or more fish within one linear mile of a
 90.9 flowing water or 25 or more fish within a square mile of a nonflowing water.

90.10 Subd. 2. **Reporting requirement.** A state or county staff person or official who learns
 90.11 of a fish kill in public waters must report the location of the fish kill to the Minnesota state
 90.12 duty officer within one hour of being notified of a fish kill or within four hours of first
 90.13 observing the fish kill. The Minnesota state duty officer must alert the Departments of
 90.14 Agriculture, Health, and Natural Resources and the Pollution Control Agency of the location
 90.15 of the fish kill within one hour of being notified of the fish kill. When a fish kill is reported,
 90.16 it must be posted to the *EQB Monitor* in the next scheduled posting.

90.17 **Sec. 42. [103G.2165] DEVELOPMENT OF FISH KILL RESPONSE PROTOCOL.**

90.18 Subdivision 1. **Development of protocol.** By June 30, 2024, the commissioners of
 90.19 agriculture, health, and natural resources and the commissioner of the Pollution Control
 90.20 Agency must update the fish kill response guidance by developing a protocol. The protocol
 90.21 must consist of steps that state agencies responding to a report of a fish kill under section
 90.22 103G.216 must take to ascertain cause of or contributing factors to the fish kill based on
 90.23 scientific data and information gathered through investigation, as well as a communication
 90.24 plan to inform the public of potential hazards. The protocol must address:

90.25 (1) how to approach sampling for aquatic life in most fish kill situations;

90.26 (2) the types of locations from which samples described in clause (1) should be taken;

90.27 (3) the types of locations where water samples should be taken from the body of water
 90.28 in which the fish kill occurred, as well as tributary streams and private wells with landowner
 90.29 consent that should also be sampled;

90.30 (4) the types of locations from which soil and groundwater samples should be taken to
 90.31 ascertain whether contaminants traveled overland or underground to reach the body of water
 90.32 in which the fish kill occurred;

91.1 (5) where other sampling should occur to determine the presence of contaminants that
91.2 may have contributed to the fish kill;

91.3 (6) developing a comprehensive list of contaminants, including degradation products,
91.4 for which the materials sampled in clauses (3) to (5) should be tested;

91.5 (7) the appropriate concentration limits to be used in testing samples for the presence
91.6 of contaminants, allowing for the possibility that the fish kill may have resulted from the
91.7 interaction of two or more contaminants present at concentrations below the level associated
91.8 with toxic effects resulting from exposure to each individual chemical;

91.9 (8) proper handling, storage, and treatment necessary to preserve the integrity of the
91.10 samples described in this subdivision to maximize the information the samples can yield
91.11 regarding the cause of the fish kill;

91.12 (9) the organs and other parts of the fish and other aquatic creatures that should be
91.13 analyzed to maximize the information the samples can yield regarding the cause of the fish
91.14 kill;

91.15 (10) identifying a rapid response team of interagency staff or an independent contractor
91.16 with the necessary data collection equipment that can travel to the site of the fish kill to
91.17 collect samples within 24 to 48 hours of the incident;

91.18 (11) a communications plan with a health-risk assessment to notify potentially impacted
91.19 downstream users of the surface water of the potential hazards and those in the vicinity
91.20 whose public or private water supply, including surface water or groundwater, may be
91.21 impacted; and

91.22 (12) the proposed content and timing for investigation reports filed following fish kills.
91.23 Investigation reports should identify the probable causes and include recommendations to
91.24 prevent similar incidents in the future.

91.25 Subd. 2. **Review of protocol.** The Departments of Agriculture, Health, and Natural
91.26 Resources and the Pollution Control Agency must post the draft protocol to their websites
91.27 for a 60-day period for public review and comment. The Departments of Agriculture, Health,
91.28 and Natural Resources and the Pollution Control Agency must hold one or more public
91.29 informational meetings on the draft protocol. The Departments of Agriculture, Health, and
91.30 Natural Resources and the Pollution Control Agency must consider comments submitted
91.31 during the public comment period before posting the final protocol to their websites.

91.32 Subd. 3. **Implementation.** Once the protocol has been published, the relevant state
91.33 agencies must follow the protocol and must maintain data related to each fish kill response

92.1 documenting the extent to which the protocol was followed and any reasons why it was not.
92.2 Once the protocol is in effect, investigation reports for fish kills must be posted to the *EQB*
92.3 *Monitor*.

92.4 Subd. 4. **Updating protocol.** The updated protocol must be reviewed by the
92.5 commissioners of agriculture, health, and natural resources, and the commissioner of the
92.6 Pollution Control Agency at least every five years according to the procedures in this section.

92.7 Sec. 43. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to
92.8 read:

92.9 Subd. 8a. **Microplastics.** "Microplastics" means particles of plastic less than 500
92.10 micrometers in size.

92.11 Sec. 44. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to
92.12 read:

92.13 Subd. 8b. **Nanoplastics.** "Nanoplastics" means plastic particles less than or equal to 100
92.14 nanometers in size.

92.15 Sec. 45. Minnesota Statutes 2022, section 115.01, is amended by adding a subdivision to
92.16 read:

92.17 Subd. 10a. **Plastic.** "Plastic" means a synthetic material made from linking monomers
92.18 through a chemical reaction to create a polymer chain that can be molded or extruded at
92.19 high heat into various solid forms that retain their defined shapes during their life cycle and
92.20 after disposal. Plastic does not mean natural polymers that have not been chemically
92.21 modified.

92.22 Sec. 46. Minnesota Statutes 2022, section 115.03, subdivision 1, is amended to read:

92.23 Subdivision 1. **Generally.** (a) The agency commissioner is hereby given and charged
92.24 with the following powers and duties:

92.25 ~~(a)~~ (1) to administer and enforce all laws relating to the pollution of any of the waters
92.26 of the state;

92.27 ~~(b)~~ (2) to investigate the extent, character, and effect of the pollution of the waters of
92.28 this state and to gather data and information necessary or desirable in the administration or
92.29 enforcement of pollution laws, and to make such classification of the waters of the state as
92.30 it may deem advisable;

93.1 ~~(e)~~ (3) to establish and alter such reasonable pollution standards for any waters of the
93.2 state in relation to the public use to which they are or may be put as it shall deem necessary
93.3 for the purposes of this chapter and, with respect to the pollution of waters of the state,
93.4 chapter 116;

93.5 ~~(d)~~ (4) to encourage waste treatment, including advanced waste treatment, instead of
93.6 stream low-flow augmentation for dilution purposes to control and prevent pollution;

93.7 ~~(e)~~ (5) to adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable
93.8 orders, permits, variances, standards, rules, schedules of compliance, and stipulation
93.9 agreements, under such conditions as it may prescribe, in order to prevent, control or abate
93.10 water pollution, or for the installation or operation of disposal systems or parts thereof, or
93.11 for other equipment and facilities:

93.12 ~~(1)~~ (i) requiring the discontinuance of the discharge of sewage, industrial waste or other
93.13 wastes into any waters of the state resulting in pollution in excess of the applicable pollution
93.14 standard established under this chapter;

93.15 ~~(2)~~ (ii) prohibiting or directing the abatement of any discharge of sewage, industrial
93.16 waste, or other wastes, into any waters of the state or the deposit thereof or the discharge
93.17 into any municipal disposal system where the same is likely to get into any waters of the
93.18 state in violation of this chapter and, with respect to the pollution of waters of the state,
93.19 chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and
93.20 specifying the schedule of compliance within which such prohibition or abatement must be
93.21 accomplished;

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

93.25 ~~(4)~~ (iv) requiring the construction, installation, maintenance, and operation by any person
93.26 of any disposal system or any part thereof, or other equipment and facilities, or the
93.27 reconstruction, alteration, or enlargement of its existing disposal system or any part thereof,
93.28 or the adoption of other remedial measures to prevent, control or abate any discharge or
93.29 deposit of sewage, industrial waste or other wastes by any person;

93.30 ~~(5)~~ (v) establishing, and from time to time revising, standards of performance for new
93.31 sources taking into consideration, among other things, classes, types, sizes, and categories
93.32 of sources, processes, pollution control technology, cost of achieving such effluent reduction,
93.33 and any nonwater quality environmental impact and energy requirements. Said standards
93.34 of performance for new sources shall encompass those standards for the control of the

94.1 discharge of pollutants which reflect the greatest degree of effluent reduction which the
94.2 agency determines to be achievable through application of the best available demonstrated
94.3 control technology, processes, operating methods, or other alternatives, including, where
94.4 practicable, a standard permitting no discharge of pollutants. New sources shall encompass
94.5 buildings, structures, facilities, or installations from which there is or may be the discharge
94.6 of pollutants, the construction of which is commenced after the publication by the agency
94.7 of proposed rules prescribing a standard of performance which will be applicable to such
94.8 source. Notwithstanding any other provision of the law of this state, any point source the
94.9 construction of which is commenced after May 20, 1973, and which is so constructed as to
94.10 meet all applicable standards of performance for new sources shall, consistent with and
94.11 subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water
94.12 Pollution Control Act, not be subject to any more stringent standard of performance for new
94.13 sources during a ten-year period beginning on the date of completion of such construction
94.14 or during the period of depreciation or amortization of such facility for the purposes of
94.15 section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period
94.16 ends first. Construction shall encompass any placement, assembly, or installation of facilities
94.17 or equipment, including contractual obligations to purchase such facilities or equipment, at
94.18 the premises where such equipment will be used, including preparation work at such
94.19 premises;

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

94.23 ~~(7)~~ (vii) requiring the owner or operator of any disposal system or any point source to
94.24 establish and maintain such records, make such reports, install, use, and maintain such
94.25 monitoring equipment or methods, including where appropriate biological monitoring
94.26 methods, sample such effluents in accordance with such methods, at such locations, at such
94.27 intervals, and in such a manner as the agency shall prescribe, and providing such other
94.28 information as the agency may reasonably require;

94.29 ~~(8)~~ (viii) notwithstanding any other provision of this chapter, and with respect to the
94.30 pollution of waters of the state, chapter 116, requiring the achievement of more stringent
94.31 limitations than otherwise imposed by effluent limitations in order to meet any applicable
94.32 water quality standard by establishing new effluent limitations, based upon section 115.01,
94.33 subdivision 13, clause (b), including alternative effluent control strategies for any point
94.34 source or group of point sources to insure the integrity of water quality classifications,
94.35 whenever the agency determines that discharges of pollutants from such point source or

95.1 sources, with the application of effluent limitations required to comply with any standard
95.2 of best available technology, would interfere with the attainment or maintenance of the
95.3 water quality classification in a specific portion of the waters of the state. Prior to
95.4 establishment of any such effluent limitation, the agency shall hold a public hearing to
95.5 determine the relationship of the economic and social costs of achieving such limitation or
95.6 limitations, including any economic or social dislocation in the affected community or
95.7 communities, to the social and economic benefits to be obtained and to determine whether
95.8 or not such effluent limitation can be implemented with available technology or other
95.9 alternative control strategies. If a person affected by such limitation demonstrates at such
95.10 hearing that, whether or not such technology or other alternative control strategies are
95.11 available, there is no reasonable relationship between the economic and social costs and
95.12 the benefits to be obtained, such limitation shall not become effective and shall be adjusted
95.13 as it applies to such person;

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

95.20 ~~(10)~~ (x) requiring that applicants for wastewater discharge permits evaluate in their
95.21 applications the potential reuses of the discharged wastewater;

95.22 ~~(f)~~ (6) to require to be submitted and to approve plans and specifications for disposal
95.23 systems or point sources, or any part thereof and to inspect the construction thereof for
95.24 compliance with the approved plans and specifications thereof;

95.25 ~~(g)~~ (7) to prescribe and alter rules, not inconsistent with law, for the conduct of the
95.26 agency and other matters within the scope of the powers granted to and imposed upon it by
95.27 this chapter and, with respect to pollution of waters of the state, in chapter 116, provided
95.28 that every rule affecting any other department or agency of the state or any person other
95.29 than a member or employee of the agency shall be filed with the secretary of state;

95.30 ~~(h)~~ (8) to conduct such investigations, issue such notices, public and otherwise, and hold
95.31 such hearings as are necessary or which it may deem advisable for the discharge of its duties
95.32 under this chapter and, with respect to the pollution of waters of the state, under chapter
95.33 116, including, but not limited to, the issuance of permits, and to authorize any member,

96.1 employee, or agent appointed by it to conduct such investigations or, issue such notices and
96.2 hold such hearings;

96.3 ~~(i)~~ (9) for the purpose of water pollution control planning by the state and pursuant to
96.4 the Federal Water Pollution Control Act, as amended, to establish and revise planning areas,
96.5 adopt plans and programs and continuing planning processes, including, but not limited to,
96.6 basin plans and areawide waste treatment management plans, and to provide for the
96.7 implementation of any such plans by means of, including, but not limited to, standards, plan
96.8 elements, procedures for revision, intergovernmental cooperation, residual treatment process
96.9 waste controls, and needs inventory and ranking for construction of disposal systems;

96.10 ~~(j)~~ (10) to train water pollution control personnel, and charge ~~such~~ training fees ~~therefor~~
96.11 as are necessary to cover the agency's costs. All such fees received ~~shall~~ must be paid into
96.12 the state treasury and credited to the Pollution Control Agency training account;

96.13 (11) to provide chloride reduction training and charge training fees as necessary to cover
96.14 the agency's costs not to exceed \$350. All training fees received must be paid into the state
96.15 treasury and credited to the Pollution Control Agency training account;

96.16 ~~(k)~~ (12) to impose as additional conditions in permits to publicly owned disposal systems
96.17 appropriate measures to insure compliance by industrial and other users with any pretreatment
96.18 standard, including, but not limited to, those related to toxic pollutants, and any system of
96.19 user charges ratably as is hereby required under state law or said Federal Water Pollution
96.20 Control Act, as amended, or any regulations or guidelines promulgated thereunder;

96.21 ~~(l)~~ (13) to set a period not to exceed five years for the duration of any national pollutant
96.22 discharge elimination system permit or not to exceed ten years for any permit issued as a
96.23 state disposal system permit only;

96.24 ~~(m)~~ (14) to require each governmental subdivision identified as a permittee for a
96.25 wastewater treatment works to evaluate in every odd-numbered year the condition of its
96.26 existing system and identify future capital improvements that will be needed to attain or
96.27 maintain compliance with a national pollutant discharge elimination system or state disposal
96.28 system permit; and

96.29 ~~(n)~~ (15) to train subsurface sewage treatment system personnel, including persons who
96.30 design, construct, install, inspect, service, and operate subsurface sewage treatment systems,
96.31 and charge fees as necessary to pay the agency's costs. All fees received must be paid into
96.32 the state treasury and credited to the agency's training account. Money in the account is
96.33 appropriated to the agency to pay expenses related to training.

97.1 (b) The information required in paragraph (a), clause ~~(m)~~ (14), must be submitted in
97.2 every odd-numbered year to the commissioner on a form provided by the commissioner.
97.3 The commissioner shall provide technical assistance if requested by the governmental
97.4 subdivision.

97.5 (c) The powers and duties given the agency in this subdivision also apply to permits
97.6 issued under chapter 114C.

97.7 Sec. 47. Minnesota Statutes 2022, section 115A.1415, is amended to read:

97.8 **115A.1415 ARCHITECTURAL PAINT; PRODUCT STEWARDSHIP PROGRAM;**
97.9 **STEWARDSHIP PLAN.**

97.10 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
97.11 meanings given:

97.12 (1) "architectural paint" means interior and exterior architectural coatings sold in
97.13 containers of five gallons or less. Architectural paint does not include industrial coatings,
97.14 original equipment coatings, or specialty coatings;

97.15 (2) "brand" means a name, symbol, word, or mark that identifies architectural paint,
97.16 rather than its components, and attributes the paint to the owner or licensee of the brand as
97.17 the producer;

97.18 (3) "discarded paint" means architectural paint that is no longer used for its manufactured
97.19 purpose;

97.20 (4) "producer" means a person that:

97.21 (i) has legal ownership of the brand, brand name, or cobrand of architectural paint sold
97.22 in the state;

97.23 (ii) imports architectural paint branded by a producer that meets item (i) when the
97.24 producer has no physical presence in the United States;

97.25 (iii) if items (i) and (ii) do not apply, makes unbranded architectural paint that is sold in
97.26 the state; or

97.27 (iv) sells architectural paint at wholesale or retail, does not have legal ownership of the
97.28 brand, and elects to fulfill the responsibilities of the producer for the architectural paint by
97.29 certifying that election in writing to the commissioner;

98.1 (5) "recycling" means the process of collecting and preparing recyclable materials and
 98.2 reusing the materials in their original form or using them in manufacturing processes that
 98.3 do not cause the destruction of recyclable materials in a manner that precludes further use;

98.4 (6) "retailer" means any person who offers architectural paint for sale at retail in the
 98.5 state;

98.6 (7) "reuse" means donating or selling collected architectural paint back into the market
 98.7 for its original intended use, when the architectural paint retains its original purpose and
 98.8 performance characteristics;

98.9 (8) "sale" or "sell" means transfer of title of architectural paint for consideration, including
 98.10 a remote sale conducted through a sales outlet, catalog, website, or similar electronic means.
 98.11 Sale or sell includes a lease through which architectural paint is provided to a consumer by
 98.12 a producer, wholesaler, or retailer;

98.13 (9) "stewardship assessment" means the amount added to the purchase price of
 98.14 architectural paint sold in the state ~~that is necessary to cover the cost of collecting,~~
 98.15 ~~transporting, and processing postconsumer architectural paint by the producer or stewardship~~
 98.16 ~~organization pursuant to a product stewardship program~~ to implement a product stewardship
 98.17 program according to an approved stewardship plan;

98.18 (10) "stewardship organization" means an organization appointed by one or more
 98.19 producers to act as an agent on behalf of the producer to design, submit, and administer a
 98.20 product stewardship program under this section; and

98.21 (11) "stewardship plan" means a detailed plan describing the manner in which a product
 98.22 stewardship program under subdivision 2 will be implemented.

98.23 Subd. 2. **Product stewardship program.** For architectural paint sold in the state,
 98.24 producers must, individually or through a stewardship organization, implement and finance
 98.25 a statewide product stewardship program that manages the architectural paint by reducing
 98.26 the paint's waste generation, promoting its reuse and recycling, and providing for negotiation
 98.27 and execution of agreements to collect, transport, and process the architectural paint for
 98.28 end-of-life recycling and reuse.

98.29 Subd. 3. **Participation required to sell.** (a) ~~On and after July 1, 2014, or three months~~
 98.30 ~~after program plan approval, whichever is sooner,~~ No producer, wholesaler, or retailer may
 98.31 sell or offer for sale in the state architectural paint unless the paint's producer participates
 98.32 in an approved stewardship plan, either individually or through a stewardship organization.

99.1 (b) Each producer must operate a product stewardship program approved by the agency
 99.2 commissioner or enter into an agreement with a stewardship organization to operate, on the
 99.3 producer's behalf, a product stewardship program approved by the agency commissioner.

99.4 Subd. 4. **Stewardship plan required.** (a) ~~On or before March 1, 2014, and~~ Before
 99.5 offering architectural paint for sale in the state, a producer must submit a stewardship plan
 99.6 to the agency commissioner and receive approval of the plan or must submit documentation
 99.7 to the agency commissioner that demonstrates the producer has entered into an agreement
 99.8 with a stewardship organization to be an active participant in an approved product
 99.9 stewardship program as described in subdivision 2. A stewardship plan must include all
 99.10 elements required under subdivision 5.

99.11 (b) ~~At~~ A proposed amendment to the plan, if determined necessary by the commissioner,
 99.12 must be submitted to the commissioner for review and approval or rejection every five
 99.13 years.

99.14 (c) ~~It is the responsibility of~~ The entities responsible for each stewardship plan ~~to~~ must
 99.15 notify the agency commissioner within 30 days of any significant proposed changes ~~or~~
 99.16 ~~modifications~~ to the plan or its implementation. Within 30 days of the notification, a written
 99.17 proposed plan revision amendment must be submitted to the agency commissioner for
 99.18 review and approval or rejection.

99.19 Subd. 5. **Plan content.** A stewardship plan must contain:

99.20 (1) certification that the product stewardship program will accept all discarded paint
 99.21 regardless of which producer produced the architectural paint and its individual components;

99.22 (2) contact information for the individual and the entity submitting the stewardship plan,
 99.23 a list of all producers participating in the product stewardship program, and the brands
 99.24 covered by the product stewardship program;

99.25 (3) a description of the methods by which the discarded paint will be collected in all
 99.26 areas in the state without relying on end-of-life fees, including an explanation of how the
 99.27 collection system will be convenient and adequate to serve the needs of small businesses
 99.28 and residents in both urban and rural areas on an ongoing basis and a discussion of how the
 99.29 existing household hazardous waste infrastructure will be considered when selecting
 99.30 collection sites;

99.31 (4) a description of how the adequacy of the collection program will be monitored and
 99.32 maintained;

100.1 (5) the names and locations of collectors, transporters, and recyclers that will manage
100.2 discarded paint;

100.3 (6) a description of how the discarded paint and the paint's components will be safely
100.4 and securely transported, tracked, and handled from collection through final recycling and
100.5 processing;

100.6 (7) a description of the method that will be used to reuse, deconstruct, or recycle the
100.7 discarded paint to ensure that the paint's components, to the extent feasible, are transformed
100.8 or remanufactured into finished products for use;

100.9 (8) a description of the promotion and outreach activities that will be used to encourage
100.10 participation in the collection and recycling programs and how the activities' effectiveness
100.11 will be evaluated and the program modified, if necessary;

100.12 (9) the proposed stewardship assessment. ~~The producer or stewardship organization~~
100.13 ~~shall propose a uniform stewardship assessment for any architectural paint sold in the state.~~
100.14 ~~The proposed stewardship assessment shall be reviewed by an independent auditor to ensure~~
100.15 ~~that the assessment does not exceed the costs of the product stewardship program and the~~
100.16 ~~independent auditor shall recommend an amount for the stewardship assessment. The agency~~
100.17 ~~must approve the stewardship assessment~~ established according to subdivision 5a;

100.18 (10) evidence of adequate insurance and financial assurance that may be required for
100.19 collection, handling, and disposal operations;

100.20 (11) five-year performance goals, including an estimate of the percentage of discarded
100.21 paint that will be collected, reused, and recycled during each of the first five years of the
100.22 stewardship plan. The performance goals must include a specific goal for the amount of
100.23 discarded paint that will be collected and recycled and reused during each year of the plan.
100.24 The performance goals must be based on:

100.25 (i) the most recent collection data available for the state;

100.26 (ii) the estimated amount of architectural paint disposed of annually;

100.27 (iii) the weight of the architectural paint that is expected to be available for collection
100.28 annually; and

100.29 (iv) actual collection data from other existing stewardship programs.

100.30 The stewardship plan must state the methodology used to determine these goals; and

100.31 (12) a discussion of the status of end markets for collected architectural paint and what,
100.32 if any, additional end markets are needed to improve the functioning of the program.

101.1 Subd. 5a. **Stewardship assessment.** The producer or stewardship organization must
 101.2 propose a uniform stewardship assessment for any architectural paint sold in the state that
 101.3 covers but does not exceed the costs of developing the stewardship plan, operating and
 101.4 administering the program in accordance with the stewardship plan and the requirements
 101.5 of this section, and maintaining a financial reserve. A stewardship organization or producer
 101.6 must not maintain a financial reserve in excess of 75 percent of the organization's annual
 101.7 operating expenses. The producer or stewardship organization must retain an independent
 101.8 auditor to review the proposed stewardship assessment to ensure that the assessment meets
 101.9 the requirements of this section. The independent auditor must recommend an amount for
 101.10 the stewardship assessment. If the financial reserve exceeds 75 percent of the producer or
 101.11 stewardship organization's annual operating expenses, the producer or stewardship
 101.12 organization must submit a proposed plan amendment according to subdivision 4, paragraph
 101.13 (c), to comply with this subdivision. The commissioner must review and approve or reject
 101.14 the stewardship assessment according to subdivision 7.

101.15 **Subd. 6. Consultation required.** Each stewardship organization or individual producer
 101.16 submitting a stewardship plan or plan amendment must consult with stakeholders including
 101.17 retailers, contractors, collectors, recyclers, local government, and customers during the
 101.18 development of the plan or plan amendment.

101.19 **Subd. 7. ~~Agency~~ Commissioner review and approval.** (a) Within 90 days after receipt
 101.20 ~~of receiving~~ a proposed stewardship plan, the ~~agency shall~~ commissioner must determine
 101.21 whether the plan complies with ~~subdivision 4~~ this section. If the ~~agency~~ commissioner
 101.22 approves a plan, the ~~agency shall~~ commissioner must notify the applicant of the plan approval
 101.23 in writing. If the ~~agency~~ commissioner rejects a plan, the ~~agency shall~~ commissioner must
 101.24 notify the applicant in writing of the reasons for rejecting the plan.

101.25 (b) An applicant whose plan is rejected by the ~~agency~~ commissioner must submit a
 101.26 revised stewardship plan to the ~~agency~~ commissioner within 60 days after receiving notice
 101.27 of rejection. A stewardship organization may submit a revised stewardship plan to the
 101.28 commissioner on not more than two consecutive occasions. If, after the second consecutive
 101.29 submission, the commissioner determines that the revised stewardship plan still does not
 101.30 meet the requirements of this section, the commissioner must modify the stewardship plan
 101.31 as necessary to meet the requirements of this section and approve the stewardship plan.

101.32 ~~(b)~~ (c) Any proposed ~~changes~~ amendment to a stewardship plan must be reviewed and
 101.33 approved or rejected by the ~~agency~~ commissioner in writing according to this subdivision.

102.1 Subd. 8. **Plan availability.** All ~~draft~~ proposed stewardship plans and amendments and
102.2 approved stewardship plans ~~shall~~ and amendments must be placed on the agency's website
102.3 for at least 30 days and made available at the agency's headquarters for public review and
102.4 comment.

102.5 Subd. 9. **Conduct authorized.** A producer or stewardship organization that organizes
102.6 collection, transport, and processing of architectural paint under this section is immune from
102.7 liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade
102.8 practices, and other regulation of trade or commerce only to the extent that the conduct is
102.9 necessary to plan and implement the producer's or organization's chosen organized collection
102.10 or recycling system.

102.11 Subd. 10. **Producer responsibilities.** (a) On and after the date of implementation of a
102.12 product stewardship program according to this section, a producer of architectural paint
102.13 must add the stewardship assessment, as established under subdivision 5, ~~clause (9)~~ 5a, to
102.14 the cost of architectural paint sold to retailers and distributors in the state by the producer.

102.15 (b) Producers of architectural paint or the stewardship organization ~~shall~~ must provide
102.16 consumers with educational materials regarding the stewardship assessment and product
102.17 stewardship program. The materials must include, but are not limited to, information
102.18 regarding available end-of-life management options for architectural paint offered through
102.19 the product stewardship program and information that notifies consumers that a charge for
102.20 the operation of the product stewardship program is included in the purchase price of
102.21 architectural paint sold in the state.

102.22 Subd. 11. **Retailer responsibilities.** (a) ~~On and after July 1, 2014, or three months after~~
102.23 ~~program plan approval, whichever is sooner,~~ No architectural paint may be sold in the state
102.24 unless the paint's producer is participating in an approved stewardship plan.

102.25 (b) On and after the implementation date of a product stewardship program according
102.26 to this section, each retailer or distributor, as applicable, must ensure that the full amount
102.27 of the stewardship assessment added to the cost of architectural paint by producers under
102.28 subdivision 10 is included in the purchase price of all architectural paint sold in the state.

102.29 (c) Any retailer may participate, on a voluntary basis, as a designated collection point
102.30 pursuant to a product stewardship program under this section and in accordance with
102.31 applicable law.

102.32 (d) No retailer or distributor shall be found to be in violation of this subdivision if, on
102.33 the date the architectural paint was ordered from the producer or its agent, the producer was
102.34 listed as compliant on the agency's website according to subdivision 14.

103.1 Subd. 12. **Stewardship reports.** ~~Beginning October 1, 2015, By April 1 each year,~~
103.2 producers of architectural paint sold in the state must individually or through a stewardship
103.3 organization submit an annual report to the agency commissioner describing the product
103.4 stewardship program for the preceding calendar year. At a minimum, the report must contain:

103.5 (1) a description of the methods used to collect, transport, and process architectural paint
103.6 in all regions of the state;

103.7 (2) the weight of all architectural paint collected in all regions of the state and a
103.8 comparison to the performance goals and recycling rates established in the stewardship
103.9 plan;

103.10 (3) the amount of unwanted architectural paint collected in the state by method of
103.11 disposition, including reuse, recycling, and other methods of processing;

103.12 (4) samples of educational materials provided to consumers and an evaluation of the
103.13 effectiveness of the materials and the methods used to disseminate the materials; and

103.14 (5) an independent financial audit.

103.15 Subd. 13. **Data classification.** Trade secret and sales information, as defined under
103.16 section 13.37, submitted to the agency commissioner under this section are private or
103.17 nonpublic data under section 13.37.

103.18 Subd. 14. **Agency Commissioner responsibilities.** ~~The agency shall~~ commissioner must
103.19 provide, on ~~its~~ the agency's website, a list of all compliant producers and brands participating
103.20 in stewardship plans that the agency commissioner has approved and a list of all producers
103.21 and brands the agency commissioner has identified as noncompliant with this section.

103.22 Subd. 15. **Local government responsibilities.** (a) A city, county, or other public agency
103.23 may choose to participate voluntarily in a product stewardship program.

103.24 (b) Cities, counties, and other public agencies are encouraged to work with producers
103.25 and stewardship organizations to assist in meeting product stewardship program reuse and
103.26 recycling obligations, by providing education and outreach or using other strategies.

103.27 (c) A city, county, or other public agency that participates in a product stewardship
103.28 program must report for the first year of the program to the agency commissioner using the
103.29 reporting form provided by the agency commissioner on the cost savings as a result of
103.30 participation and must describe how the savings were used.

103.31 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual producer
103.32 submitting a stewardship plan ~~shall~~ must pay an annual administrative fee to the

104.1 commissioner. The agency commissioner may establish a variable fee based on relevant
 104.2 factors, including, but not limited to, the portion of architectural paint sold in the state by
 104.3 members of the organization compared to the total amount of architectural paint sold in the
 104.4 state by all organizations submitting a stewardship plan.

104.5 (b) ~~Prior to July 1, 2014, and Before July 1 annually thereafter~~ each year, the agency
 104.6 ~~shall~~ commissioner must identify the costs ~~it~~ the agency incurs under this section. The
 104.7 ~~agency shall~~ commissioner must set the fee at an amount that, when paid by every
 104.8 stewardship organization or individual producer that submits a stewardship plan, is adequate
 104.9 to reimburse the agency's full costs of administering this section. The total amount of annual
 104.10 fees collected under this subdivision must not exceed the amount necessary to reimburse
 104.11 costs incurred by the agency to administer this section.

104.12 (c) A stewardship organization or individual producer subject to this subdivision must
 104.13 pay the ~~agency's~~ commissioner's administrative fee under paragraph (a) on or before July
 104.14 ~~1, 2014, and annually thereafter~~ each year. Each year after the initial payment, the annual
 104.15 administrative fee may not exceed five percent of the aggregate stewardship assessment
 104.16 added to the cost of all architectural paint sold by producers in the state for the preceding
 104.17 calendar year.

104.18 (d) All fees received under this section ~~shall~~ must be deposited in the state treasury and
 104.19 credited to a product stewardship account in the special revenue fund. ~~For fiscal years 2014,~~
 104.20 ~~2015, 2016, and 2017,~~ The amount collected under this section is annually appropriated to
 104.21 the agency commissioner to implement and enforce this section.

104.22 Subd. 17. Duty to provide information. Upon request of the commissioner for purposes
 104.23 of determining compliance with this section, a person must furnish to the commissioner
 104.24 any information that the person has or may reasonably obtain.

104.25 Sec. 48. Minnesota Statutes 2022, section 115A.49, is amended to read:

104.26 **115A.49 SOLID WASTE MANAGEMENT PROJECTS CAPITAL ASSISTANCE**
 104.27 **PROGRAM.**

104.28 (a) There is established a program to encourage and assist cities, counties, solid waste
 104.29 management districts, and sanitary districts in the development and implementation of solid
 104.30 waste management projects and to transfer the knowledge and experience gained from such
 104.31 projects to other communities in the state.

104.32 (b) The program must be administered to encourage local communities to develop
 104.33 feasible and prudent alternatives to disposal, including:

- 105.1 (1) waste reduction;
- 105.2 (2) reuse;
- 105.3 (3) recycling;
- 105.4 (4) composting source-separated compostable materials or yard waste;
- 105.5 (5) resource recovery;
- 105.6 (6) waste separation by generators, collectors, and other persons; and
- 105.7 (7) waste processing.

105.8 (c) The commissioner shall administer the program in accordance with the requirements
 105.9 of according to sections 115A.49 to 115A.54 and rules promulgated adopted under chapter
 105.10 14. In administering the program, the commissioner shall give priority to projects in the
 105.11 order of preference of the waste management practices listed in section 115A.02. The
 105.12 commissioner shall give special consideration to areas where natural geologic and soil
 105.13 conditions are especially unsuitable for land disposal of solid waste; areas where the capacity
 105.14 of existing solid waste disposal facilities is determined by the commissioner to be less than
 105.15 five years; and projects serving more than one local government unit.

105.16 Sec. 49. Minnesota Statutes 2022, section 115A.51, is amended to read:

105.17 **115A.51 APPLICATION REQUIREMENTS.**

105.18 (a) Applications for assistance under the program must demonstrate:

105.19 (1) that the project is conceptually and technically feasible;

105.20 (2) that affected political subdivisions are committed to implement the project, to provide
 105.21 necessary local financing, and to accept and exercise the government powers necessary to
 105.22 the project;

105.23 (3) that operating revenues from the project, considering the availability and security of
 105.24 sources of solid waste and of markets for recovered resources or the availability of materials
 105.25 for waste reduction or reuse, together with any proposed federal, state, or local financial
 105.26 assistance, will be sufficient to pay all costs over the projected life of the project;

105.27 (4) that the applicant has evaluated the feasible and prudent alternatives to disposal,
 105.28 including using existing solid waste management facilities and facilities conducting waste
 105.29 reduction or reuse with reasonably available capacity sufficient to accomplish the goals of
 105.30 the proposed project, and has compared and evaluated the costs of the alternatives, including
 105.31 capital and operating costs, and the effects of the alternatives on the cost to generators;

106.1 (5) that the applicant has identified:

106.2 (i) waste management objectives in applicable county and regional solid waste
106.3 management plans consistent with section 115A.46, subdivision 2, paragraphs (e) and (f),
106.4 or 473.149, subdivision 1; and

106.5 (ii) other solid waste management facilities and facilities conducting waste reduction or
106.6 reuse identified in the county and regional plans; ~~and~~

106.7 (6) that the applicant has conducted a comparative analysis of the project against existing
106.8 public and private solid waste management facilities and facilities conducting waste reduction
106.9 or reuse, including an analysis of potential displacement of those facilities, to determine
106.10 whether the project is the most appropriate alternative to achieve the identified waste
106.11 management objectives that considers:

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

106.13 (ii) consistency with the state's solid waste hierarchy and section 115A.46, subdivision
106.14 2, paragraphs (e) and (f), or 473.149, subdivision 1; and

106.15 (iii) environmental standards related to public health, air, surface water, and groundwater;

106.16 (7) that the applicant has evaluated the project's environmental impact on climate change,
106.17 including greenhouse gas emissions; and

106.18 (8) that the applicant has reviewed the project's impact on overburdened areas, conducted
106.19 stakeholder engagement, and assessed community input.

106.20 (b) The commissioner ~~may~~ must require completion of a comprehensive solid waste
106.21 management plan conforming to the requirements of section 115A.46, before accepting an
106.22 application. Within five days of filing an application with the agency, the applicant must
106.23 submit a copy of the application to each solid waste management facility, including each
106.24 facility used for waste reduction or reuse, mentioned in the portion of the application
106.25 addressing the requirements of paragraph (a), clauses (5) and (6).

106.26 Sec. 50. Minnesota Statutes 2022, section 115A.54, subdivision 1, is amended to read:

106.27 Subdivision 1. **Purposes; public interest; declaration of policy.** The legislature finds
106.28 ~~that the establishment of waste processing~~ acquiring, establishing, and improving facilities
106.29 that conduct waste reduction, reuse, recycling, composting source-separated compostable
106.30 materials or yard waste, resource recovery, and waste processing and transfer stations serving
106.31 such facilities is needed to reduce and manage properly the solid waste generated in the
106.32 state and to conserve and protect the natural resources in the state and the health, safety,

107.1 and welfare of its citizens; that opportunities to acquire, establish, and improve the facilities
 107.2 and transfer stations are not being fully realized by individual political subdivisions or by
 107.3 agreements among subdivisions; and that therefore it is necessary to provide capital assistance
 107.4 to stimulate and encourage the acquisition, establishment, and ~~betterment~~ improvement of
 107.5 the facilities and transfer stations.

107.6 Sec. 51. Minnesota Statutes 2022, section 115A.54, subdivision 2, is amended to read:

107.7 Subd. 2. **Administration; assurance of funds.** The commissioner shall provide technical
 107.8 and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish, and
 107.9 improve the facilities and transfer stations from revenues derived from ~~the issuance of~~
 107.10 issuing bonds authorized by section 115A.58. Facilities for ~~the incineration of~~ incinerating
 107.11 solid waste without resource recovery are not eligible for assistance. Money appropriated
 107.12 for the purposes of the ~~demonstration~~ program may be distributed as grants or loans. An
 107.13 individual project may receive assistance totaling up to 100 percent of the capital cost of
 107.14 the project and grants up to ~~50~~ 75 percent of the capital cost of the project. No grant or loan
 107.15 shall be disbursed to any recipient until the commissioner has determined the total estimated
 107.16 capital cost of the project and ascertained that financing of the cost is assured by funds
 107.17 provided by the state, by an agency of the federal government within the amount of funds
 107.18 then appropriated to that agency and allocated by it to projects within the state, by any
 107.19 person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund
 107.20 for ~~the construction of~~ constructing the project.

107.21 Sec. 52. Minnesota Statutes 2022, section 115A.54, subdivision 2a, is amended to read:

107.22 Subd. 2a. **Solid waste management projects.** (a) The commissioner shall provide
 107.23 technical and financial assistance ~~for the acquisition and betterment of~~ to acquire, establish,
 107.24 and improve solid waste management projects as provided in this subdivision and section
 107.25 115A.52. Money appropriated for the purposes of this subdivision must be distributed as
 107.26 grants.

107.27 (b) Except as provided in paragraph (c), a project may receive grant assistance up to 25
 107.28 percent of the capital cost of the project or ~~\$2,000,000~~ \$5,000,000, whichever is less, except
 107.29 that projects constructed as a result of intercounty cooperative agreements may receive the
 107.30 lesser of:

107.31 (1) grant assistance up to 25 percent of the capital cost of the project; or

107.32 (2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

108.1 (c) A recycling project ~~or~~, a project to compost ~~or eecompost~~ source-separated
 108.2 compostable material or yard waste, or a project to manage household hazardous waste may
 108.3 receive grant assistance up to 50 percent of the capital cost of the project or ~~\$2,000,000~~
 108.4 \$5,000,000, whichever is less, except that projects completed as a result of intercounty
 108.5 cooperative agreements may receive the lesser of:

108.6 (1) grant assistance up to 50 percent of the capital cost of the project; or

108.7 (2) ~~\$2,000,000~~ \$5,000,000 times the number of participating counties, ~~whichever is less.~~

108.8 (d) The following projects may also receive grant assistance in the amounts specified
 108.9 in ~~this~~ paragraph (c):

108.10 (1) a project to improve control of or reduce air emissions at an existing resource recovery
 108.11 facility; and

108.12 (2) a project to substantially increase the recovery of materials or energy, substantially
 108.13 reduce the amount or toxicity of waste processing residuals, or expand the capacity of an
 108.14 existing resource recovery facility to meet the resource recovery needs of an expanded
 108.15 region if each county from which waste is or would be received has achieved a recycling
 108.16 rate in excess of the goals in section 115A.551, and is implementing aggressive waste
 108.17 reduction and household hazardous waste management programs.

108.18 (e) A waste reduction project or reuse project may receive grant assistance up to 75
 108.19 percent of the capital cost of the project or \$5,000,000, whichever is less, except that projects
 108.20 completed as a result of intercounty cooperative agreements may receive the lesser of:

108.21 (1) grant assistance up to 75 percent of the capital cost of the project; or

108.22 (2) \$5,000,000 times the number of participating counties.

108.23 ~~(d)~~ (f) Notwithstanding paragraph ~~(e)~~ (g), the commissioner may award grants for transfer
 108.24 stations that will initially transfer waste to landfills if the transfer stations are part of a
 108.25 planned resource recovery project, the county where the planned resource recovery facility
 108.26 will be located has a comprehensive solid waste management plan approved by the
 108.27 commissioner, and the solid waste management plan proposes the development of the
 108.28 resource recovery facility. If the proposed resource recovery facility is not in place and
 108.29 operating within 16 years of the date of the grant award, the recipient shall repay the grant
 108.30 amount to the state.

108.31 ~~(e)~~ (g) Projects without waste reduction, reuse, recycling, composting source-separated
 108.32 compostable material or yard waste, or resource recovery are not eligible for assistance.
 108.33 Solid waste disposal facilities and equipment are not eligible for assistance.

109.1 ~~(f)~~ (h) In addition to any assistance received under paragraph (b) ~~or~~, (c), (d), or (e), a
 109.2 project may receive grant assistance for the cost of tests necessary to determine the
 109.3 appropriate pollution control equipment for the project or the environmental effects of the
 109.4 use of any product or material produced by the project.

109.5 ~~(g)~~ (i) In addition to the application requirements of section 115A.51, an application for
 109.6 a project serving eligible jurisdictions in only a single county must demonstrate that
 109.7 cooperation with jurisdictions in other counties to develop the project is not needed or not
 109.8 feasible. Each application must also demonstrate that the project is not financially prudent
 109.9 without the state assistance, because of the applicant's financial capacity and the problems
 109.10 inherent in the waste management situation in the area, particularly transportation distances
 109.11 and limited waste supply and markets for resources recovered.

109.12 ~~(h)~~ (j) For the purposes of this subdivision, a "project" means acquisition, establishment,
 109.13 or improvement of a processing facility, that conducts waste reduction, reuse, recycling,
 109.14 composting source-separated compostable materials or yard waste, resource recovery, or
 109.15 waste processing, together with any transfer stations, transmission facilities, and other related
 109.16 and appurtenant facilities primarily serving the ~~processing~~ facility.

109.17 (k) The commissioner shall adopt rules for the program ~~by July 1, 1985.~~

109.18 ~~(i)~~ (l) Notwithstanding anything in this subdivision to the contrary, a project to construct
 109.19 a new ~~mixed-municipal~~ solid waste transfer station that has an enforceable commitment of
 109.20 at least ten years, or of sufficient length to retire bonds sold for the facility, to serve an
 109.21 existing resource recovery facility may receive grant assistance up to 75 percent of the
 109.22 capital cost of the project if addition of the transfer station will increase substantially the
 109.23 geographical area served by the resource recovery facility and the ability of the resource
 109.24 recovery facility to operate more efficiently on a regional basis and the facility meets the
 109.25 criteria in paragraph ~~(e)~~ (d), ~~the second~~ clause (2). A transfer station eligible for assistance
 109.26 under this paragraph is not eligible for assistance under any other paragraph of this
 109.27 subdivision.

109.28 Sec. 53. Minnesota Statutes 2022, section 115A.565, subdivision 1, is amended to read:

109.29 Subdivision 1. **Grant program established.** The commissioner must make competitive
 109.30 grants to political subdivisions or federally recognized Tribes ~~to establish curbside recycling~~
 109.31 ~~or composting,~~ increase for waste reduction, reuse, recycling or, and composting, ~~reduce~~
 109.32 ~~the amount of recyclable materials entering disposal facilities, or reduce the costs associated~~
 109.33 ~~with hauling waste by locating collection sites as close as possible to the site where the~~
 109.34 ~~waste is generated~~ of source-separated compostable materials or yard waste. To be eligible

110.1 for grants under this section, a political subdivision or federally recognized Tribe must be
 110.2 located outside the seven-county metropolitan area and a city must have a population of
 110.3 less than 45,000.

110.4 Sec. 54. Minnesota Statutes 2022, section 115A.565, subdivision 3, is amended to read:

110.5 Subd. 3. **Priorities; eligible projects.** (a) If applications for grants exceed the available
 110.6 appropriations, grants must be made for projects that, in the commissioner's judgment,
 110.7 provide the highest return in public benefits.

110.8 (b) To be eligible to receive a grant, a project must:

110.9 (1) be locally administered;

110.10 (2) have an educational component and measurable outcomes;

110.11 (3) request \$250,000 or less;

110.12 (4) demonstrate local direct and indirect matching support of at least a quarter amount
 110.13 of the grant request; ~~and~~

110.14 (5) include at least one of the following elements:

110.15 ~~(i) transition to residential recycling through curbside or centrally located collection~~
 110.16 ~~sites;~~

110.17 ~~(ii) development of local recycling systems to support curbside recycling; or~~

110.18 ~~(iii) development or expansion of local recycling systems to support recycling bulk~~
 110.19 ~~materials, including, but not limited to, electronic waste.~~

110.20 (i) waste reduction;

110.21 (ii) reuse;

110.22 (iii) recycling; or

110.23 (iv) composting of source-separated compostable materials or yard waste; and

110.24 (6) demonstrate that the project will reduce waste generation through waste reduction
 110.25 or reuse or that the project will increase the amount of recyclable materials or
 110.26 source-separated compostable materials diverted from a disposal facility.

111.1 Sec. 55. [116.065] CUMULATIVE IMPACTS ANALYSIS; PERMIT DECISIONS
 111.2 IN ENVIRONMENTAL JUSTICE AREAS.

111.3 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
 111.4 the meanings given.

111.5 (b) "Commissioner" means the commissioner of the Minnesota Pollution Control Agency.

111.6 (c) "Cumulative impacts" means the impacts of aggregated levels of past and current
 111.7 air, water, and land pollution in a defined geographic area to which current residents are
 111.8 exposed.

111.9 (d) "Environmental justice" means:

111.10 (1) communities of color, Indigenous communities, and low-income communities have
 111.11 a healthy environment and are treated fairly when environmental statutes, rules, and policies
 111.12 are developed, adopted, implemented, and enforced; and

111.13 (2) in all decisions that have the potential to affect the environment of an environmental
 111.14 justice area or the public health of its residents, due consideration is given to the history of
 111.15 the area's and its residents' cumulative exposure to pollutants and to any current
 111.16 socioeconomic conditions that increase the physical sensitivity of those residents to additional
 111.17 exposure to pollutants.

111.18 (e) "Environmental justice area" means one or more census tracts in Minnesota:

111.19 (1) in which, based on the most recent data published by the United States Census Bureau:

111.20 (i) 40 percent or more of the population is nonwhite;

111.21 (ii) 35 percent or more of the households have an income at or below 200 percent of the
 111.22 federal poverty level; or

111.23 (iii) 40 percent or more of the population over the age of five has limited English
 111.24 proficiency; or

111.25 (2) located within Indian Country, as defined in United States Code, title 18, section
 111.26 1151.

111.27 (f) "Environmental stressors" mean factors that may make residents of an environmental
 111.28 justice area particularly sensitive to exposure to pollutants. Environmental stressors include
 111.29 social and environmental factors, including but not limited to poverty, substandard housing,
 111.30 food insecurity, elevated rates of disease, and poor access to health insurance and medical
 111.31 care.

112.1 Subd. 2. Cumulative impacts analysis; when required. (a) Except as provided in
112.2 paragraph (b), this subdivision applies to the following permit applications for the
112.3 construction of a new facility or the expansion of an existing facility within the seven-county
112.4 metropolitan area or within Indian Country, as defined in United States Code, title 18,
112.5 section 1151:

112.6 (1) a major source air permit, as defined in Minnesota Rules, part 7007.0200, subpart
112.7 2;

112.8 (2) a state air permit required under Minnesota Rules, part 7007.0250, subpart 6;

112.9 (3) an individual permit for a solid waste disposal facility proposing to receive or increase
112.10 capacity by 100,000 cubic yards or more of waste annually; and

112.11 (4) a permit required for the treatment, storage, or disposal of hazardous waste.

112.12 (b) This section does not apply to the construction of a new facility or the expansion of
112.13 an existing facility by a person acting under a permit to mine iron, taconite, or nonferrous
112.14 metallic minerals, or to a permit application for the construction of a new facility or the
112.15 expansion of an existing facility in the Taconite Assistance Area, as defined in section
112.16 273.1341.

112.17 (c) The owner or operator of a facility subject to paragraph (a), clause (1), must conduct
112.18 a cumulative impacts analysis if the facility is located in or, as determined by the
112.19 commissioner, may affect the environment or health of residents in an environmental justice
112.20 area and:

112.21 (1) the proposed facility or expansion exceeds the benchmarks established in rules
112.22 adopted under subdivision 5 for requiring a cumulative impacts analysis; or

112.23 (2) a petition signed by at least 100 persons residing or owning property in the affected
112.24 environmental justice area is submitted to the commissioner and supported by material
112.25 evidence demonstrating, to the satisfaction of the commissioner, that a potential adverse
112.26 cumulative impact on the environment or health of the residents of the environmental justice
112.27 area may result if the permit is issued.

112.28 In making this determination, the commissioner may consider material evidence submitted
112.29 by the owner or operator of the facility seeking the permit that issuance of the permit will
112.30 not result in a potential adverse cumulative impact in the environmental justice area.

112.31 (d) The commissioner may require an owner or operator of a facility described in
112.32 paragraph (a), clauses (1) to (4), that is seeking reissuance of a permit to conduct a cumulative
112.33 impacts analysis if the commissioner has material evidence that demonstrates that a potential

113.1 adverse cumulative impact on the environment or health of the residents of the environmental
113.2 justice area may result if the permit is issued and:

113.3 (1) the facility is located within one mile of the boundary of an environmental justice
113.4 area within the seven-county metropolitan area;

113.5 (2) the facility is located within one mile of Indian Country, as defined in United States
113.6 Code, title 18, section 1151; or

113.7 (3) the proposed facility does not exceed the benchmarks established in rules adopted
113.8 under subdivision 5 for requiring a cumulative impacts analysis.

113.9 In making this determination, the commissioner may consider material evidence submitted
113.10 by the owner or operator of the facility seeking the permit that reissuance of the permit will
113.11 not result in a potential adverse cumulative effect in the environmental justice area.

113.12 Subd. 3. **Cumulative impacts analysis; public meeting requirements.** (a) Any owner
113.13 or operator required to conduct a cumulative impacts analysis under subdivision 2 must
113.14 hold at least two public meetings in the affected environmental justice area before the
113.15 commissioner issues or denies a permit. The first public meeting must be held before
113.16 conducting a cumulative impacts analysis, and the second must be held after conducting
113.17 the analysis.

113.18 (b) The owner or operator must:

113.19 (1) publish notice containing the date, time, and location of the public meetings and a
113.20 brief description of the permit or project in a newspaper of general circulation in the
113.21 environmental justice area at least 30 days before the meetings;

113.22 (2) post physical signage in the environmental justice area impacted, as directed by the
113.23 commissioner; and

113.24 (3) provide the commissioner with notice of the public meeting and a copy of the
113.25 cumulative impacts analysis at least 45 days before the second public meeting.

113.26 (c) The commissioner must post the notice and cumulative impacts analysis on the
113.27 agency website at least 30 days before the second public meeting.

113.28 (d) The permit applicant or permit holder must:

113.29 (1) provide an opportunity for robust public and Tribal engagement at the public meetings;

113.30 (2) accept written and oral comments, as directed by the commissioner, from any
113.31 interested party; and

114.1 (3) provide an electronic copy of all written comments and a transcript of oral comments
114.2 to the agency within 30 days of the public meetings.

114.3 (e) If the permit applicant or permit holder is applying for more than one permit that
114.4 may affect the same environmental justice area, the permit applicant or permit holder may
114.5 request that the commissioner require that the facility hold two public meetings that address
114.6 all of the permits sought. The commissioner may approve or deny the request.

114.7 (f) The commissioner may incorporate conditions in a permit for a facility located in or
114.8 affecting an environmental justice area to hold multiple in-person meetings with residents
114.9 of the environmental justice area affected by the facility to share information and discuss
114.10 community concerns.

114.11 Subd. 4. **Environmental justice area; permit decisions.** (a) In determining whether to
114.12 issue or deny a permit, the commissioner must consider the testimony presented and
114.13 comments submitted in public meetings held under subdivision 3. The permit may be issued
114.14 no earlier than 30 days following the last public meeting.

114.15 (b) The commissioner must deny an application for a permit subject to this section for
114.16 a facility in an environmental justice area if the commissioner finds that issuing the permit
114.17 in combination with the environmental stressors present in the environmental justice area
114.18 would contribute to adverse cumulative environmental stressors in the environmental justice
114.19 area, unless:

114.20 (1) the commissioner enters into a community benefit agreement with the facility owner
114.21 or operator, in consultation with community-based organizations representing the interests
114.22 of residents of the environmental justice area; and

114.23 (2) there is a compelling public interest to issue the permit, as determined by the
114.24 commissioner, based on criteria established in rules adopted under subdivision 5.

114.25 (c) If the commissioner determines that a compelling public interest exists and the
114.26 commissioner enters into a community benefit agreement with the facility owner or operator,
114.27 the commissioner may grant a permit that imposes conditions on the construction and
114.28 operation of the facility to protect public health and the environment.

114.29 (d) Issuance of a permit under this section must include a requirement that the facility
114.30 provide information to the community describing the health risks that the facility poses.

114.31 (e) A community benefit agreement must be signed on or before the date a new permit
114.32 or major source permit amendment is issued in an environmental justice area.

115.1 (f) The commissioner must publish and maintain on the agency website a list of
115.2 environmental justice areas in the state.

115.3 Subd. 5. Rulemaking. (a) The commissioner must adopt rules under chapter 14 to
115.4 implement and govern the cumulative impacts analysis and issuance or denial of permits
115.5 for facilities that impact environmental justice areas as provided in this section.
115.6 Notwithstanding section 14.125, the agency must publish notice of intent to adopt rules
115.7 within 36 months of the effective date of this section, or the authority for the rules expires.

115.8 (b) During the rulemaking process, the Pollution Control Agency must engage in robust
115.9 public engagement, including public meetings, and Tribal consultation.

115.10 (c) Rules adopted under this section must:

115.11 (1) define conditions, criteria, or circumstances that qualify as a compelling public
115.12 interest, which:

115.13 (i) must consider whether the economic benefit considered will directly or substantially
115.14 benefit residents of the affected environmental justice area;

115.15 (ii) must include noneconomic considerations; and

115.16 (iii) must take into account public comments made at public meetings held under
115.17 subdivision 3;

115.18 (2) establish benchmarks to assist the commissioner's determination regarding the need
115.19 for a cumulative impacts analysis;

115.20 (3) establish the content of a community benefit agreement and procedures for entering
115.21 into community benefit agreements, which must include consultation with members of the
115.22 public and community-based organizations or coalitions representing the interests of residents
115.23 within the environmental justice area;

115.24 (4) establish a petition process and form submitted to the agency by environmental
115.25 justice area residents to support the need for a cumulative impact analysis;

115.26 (5) establish and define criteria for requiring a cumulative impact analysis; and

115.27 (6) establish a process for conducting a cumulative impacts analysis.

115.28 (d) The agency must provide translation services and translated materials upon request
115.29 during rulemaking meetings.

115.30 (e) The agency must use multiple communication methods to inform residents of
115.31 environmental justice areas in the public meetings held for the rulemaking.

116.1 **EFFECTIVE DATE.** Subdivisions 1 and 5 are effective the day following final
116.2 enactment. The remainder of this section is effective on January 1, 2027.

116.3 Sec. 56. Minnesota Statutes 2022, section 116.07, subdivision 6, is amended to read:

116.4 **Subd. 6. Pollution Control Agency; exercise of powers.** In exercising all its powers
116.5 the Pollution Control Agency ~~shall give due consideration to~~ must:

116.6 (1) consider the establishment, maintenance, operation and expansion of business,
116.7 commerce, trade, industry, traffic, and other economic factors and other material matters
116.8 affecting the feasibility and practicability of any proposed action, including, but not limited
116.9 to, the burden on a municipality of any tax which may result therefrom, and ~~shall~~ must take
116.10 or provide for such action as may be reasonable, feasible, and practical under the
116.11 circumstances; and

116.12 (2) to the extent reasonable, feasible, and practical under the circumstances:

116.13 (i) ensure that actions or programs that have a direct, indirect, or cumulative impact on
116.14 environmental justice areas incorporate community-focused practices and procedures in
116.15 agency processes, including communication, outreach, engagement, and education to enhance
116.16 meaningful, timely, and transparent community access;

116.17 (ii) collaborate with other state agencies to identify, develop, and implement means to
116.18 eliminate and reverse environmental and health inequities and disparities;

116.19 (iii) promote the utility and availability of environmental data and analysis for
116.20 environmental justice areas, other agencies, federally recognized Tribal governments, and
116.21 the public;

116.22 (iv) encourage coordination and collaboration with residents of environmental justice
116.23 areas to address environmental and health inequities and disparities; and

116.24 (v) ensure environmental justice values are represented to the agency from a
116.25 commissioner-appointed environmental justice advisory committee that is composed of
116.26 diverse members and that is developed and operated in a manner open to the public and in
116.27 accordance with the duties described in the bylaws and charter adopted and maintained by
116.28 the commissioner.

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

117.1 **Sec. 57. [116.943] PRODUCTS CONTAINING PFAS.**

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

117.4 (b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

117.5 (c) "Air care product" means a chemically formulated consumer product labeled to
117.6 indicate that the purpose of the product is to enhance or condition the indoor environment
117.7 by eliminating odors or freshening the air.

117.8 (d) "Automotive maintenance product" means a chemically formulated consumer product
117.9 labeled to indicate that the purpose of the product is to maintain the appearance of a motor
117.10 vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior
117.11 or interior surfaces of motor vehicles. Automotive maintenance product does not include
117.12 automotive paint or paint repair products.

117.13 (e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

117.14 (f) "Cleaning product" means a finished product used primarily for domestic, commercial,
117.15 or institutional cleaning purposes, including but not limited to an air care product, an
117.16 automotive maintenance product, a general cleaning product, or a polish or floor maintenance
117.17 product.

117.18 (g) "Commissioner" means the commissioner of the Pollution Control Agency.

117.19 (h) "Cookware" means durable houseware items used to prepare, dispense, or store food,
117.20 foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills,
117.21 baking sheets, baking molds, trays, bowls, and cooking utensils.

117.22 (i) "Cosmetic" means articles, excluding soap:

117.23 (1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise
117.24 applied to the human body or any part thereof for the purpose of cleansing, beautifying,
117.25 promoting attractiveness, or altering the appearance; and

117.26 (2) intended for use as a component of any such article.

117.27 (j) "Currently unavoidable use" means a use of PFAS that the commissioner has
117.28 determined by rule under this section to be essential for health, safety, or the functioning
117.29 of society and for which alternatives are not reasonably available.

117.30 (k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more
117.31 characteristics, including but not limited to stain resistance or water resistance.

118.1 (l) "Intentionally added" means PFAS deliberately added during the manufacture of a
118.2 product where the continued presence of PFAS is desired in the final product or one of the
118.3 product's components to perform a specific function.

118.4 (m) "Juvenile product" means a product designed or marketed for use by infants and
118.5 children under 12 years of age:

118.6 (1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper;
118.7 booster seat; changing pad; child restraint system for use in motor vehicles and aircraft;
118.8 co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant
118.9 seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing
118.10 pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow;
118.11 portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable
118.12 crib; stroller; and toddler mattress; and

118.13 (2) not including a children's electronic product such as a personal computer, audio and
118.14 video equipment, calculator, wireless phone, game console, handheld device incorporating
118.15 a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit,
118.16 or power cord; or an adult mattress.

118.17 (n) "Manufacturer" means the person that creates or produces a product or whose brand
118.18 name is affixed to the product. In the case of a product imported into the United States,
118.19 manufacturer includes the importer or first domestic distributor of the product if the person
118.20 that manufactured or assembled the product or whose brand name is affixed to the product
118.21 does not have a presence in the United States.

118.22 (o) "Medical device" has the meaning given "device" under United States Code, title
118.23 21, section 321, subsection (h).

118.24 (p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of
118.25 fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

118.26 (q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared
118.27 for sale to consumers, including but not limited to its product components, sold or distributed
118.28 for personal, residential, commercial, or industrial use, including for use in making other
118.29 products.

118.30 (r) "Product component" means an identifiable component of a product, regardless of
118.31 whether the manufacturer of the product is the manufacturer of the component.

119.1 (s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but
119.2 not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes
119.3 related tuning products.

119.4 (t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn,
119.5 or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose,
119.6 nylon, and polyester.

119.7 (u) "Textile furnishings" means textile goods of a type customarily used in households
119.8 and businesses, including but not limited to draperies, floor coverings, furnishings, bedding,
119.9 towels, and tablecloths.

119.10 (v) "Upholstered furniture" means an article of furniture that is designed to be used for
119.11 sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling
119.12 material.

119.13 Subd. 2. **Information required.** (a) On or before January 1, 2026, a manufacturer of a
119.14 product sold, offered for sale, or distributed in the state that contains intentionally added
119.15 PFAS must submit to the commissioner information that includes:

119.16 (1) a brief description of the product, including a universal product code (UPC), stock
119.17 keeping unit (SKU), or other numeric code assigned to the product;

119.18 (2) the purpose for which PFAS are used in the product, including in any product
119.19 components;

119.20 (3) the amount of each PFAS, identified by its chemical abstracts service registry number,
119.21 in the product, reported as an exact quantity determined using commercially available
119.22 analytical methods or as falling within a range approved for reporting purposes by the
119.23 commissioner;

119.24 (4) the name and address of the manufacturer and the name, address, and phone number
119.25 of a contact person for the manufacturer; and

119.26 (5) any additional information requested by the commissioner as necessary to implement
119.27 the requirements of this section.

119.28 (b) With the approval of the commissioner, a manufacturer may supply the information
119.29 required in paragraph (a) for a category or type of product rather than for each individual
119.30 product.

119.31 (c) A manufacturer must submit the information required under this subdivision whenever
119.32 a new product that contains intentionally added PFAS is sold, offered for sale, or distributed

120.1 in the state and update and revise the information whenever there is significant change in
120.2 the information or when requested to do so by the commissioner.

120.3 (d) A person may not sell, offer for sale, or distribute for sale in the state a product
120.4 containing intentionally added PFAS if the manufacturer has failed to provide the information
120.5 required under this subdivision and the person has received notification under subdivision
120.6 4.

120.7 Subd. 3. **Information requirement waivers; extensions.** (a) The commissioner may
120.8 waive all or part of the information requirement under subdivision 2 if the commissioner
120.9 determines that substantially equivalent information is already publicly available. The
120.10 commissioner may grant a waiver under this paragraph to a manufacturer or a group of
120.11 manufacturers for multiple products or a product category.

120.12 (b) The commissioner may enter into an agreement with one or more other states or
120.13 political subdivisions of a state to collect information and may accept information to a shared
120.14 system as meeting the information requirement under subdivision 2.

120.15 (c) The commissioner may extend the deadline for submission by a manufacturer of the
120.16 information required under subdivision 2 if the commissioner determines that more time is
120.17 needed by the manufacturer to comply with the submission requirement.

120.18 Subd. 4. **Testing required and certificate of compliance.** (a) If the commissioner has
120.19 reason to believe that a product contains intentionally added PFAS and the product is being
120.20 offered for sale in the state, the commissioner may direct the manufacturer of the product
120.21 to, within 30 days, provide the commissioner with testing results that demonstrate the amount
120.22 of each of the PFAS, identified by its chemical abstracts service registry number, in the
120.23 product, reported as an exact quantity determined using commercially available analytical
120.24 methods or as falling within a range approved for reporting purposes by the commissioner.

120.25 (b) If testing demonstrates that the product does not contain intentionally added PFAS,
120.26 the manufacturer must provide the commissioner a certificate attesting that the product does
120.27 not contain intentionally added PFAS, including testing results and any other relevant
120.28 information.

120.29 (c) If testing demonstrates that the product contains intentionally added PFAS, the
120.30 manufacturer must provide the commissioner with the testing results and the information
120.31 required under subdivision 2.

121.1 (d) A manufacturer must notify persons who sell or offer for sale a product prohibited
 121.2 under subdivision 2 or 5 that the sale of that product is prohibited in this state and provide
 121.3 the commissioner with a list of the names and addresses of those notified.

121.4 (e) The commissioner may notify persons who sell or offer for sale a product prohibited
 121.5 under subdivision 2 or 5 that the sale of that product is prohibited in this state.

121.6 Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for
 121.7 sale, or distribute for sale in this state the following products if the product contains
 121.8 intentionally added PFAS:

121.9 (1) carpets or rugs;

121.10 (2) cleaning products;

121.11 (3) cookware;

121.12 (4) cosmetics;

121.13 (5) dental floss;

121.14 (6) fabric treatments;

121.15 (7) juvenile products;

121.16 (8) menstruation products;

121.17 (9) textile furnishings;

121.18 (10) ski wax; or

121.19 (11) upholstered furniture.

121.20 (b) The commissioner may by rule identify additional products by category or use that
 121.21 may not be sold, offered for sale, or distributed for sale in this state if they contain
 121.22 intentionally added PFAS and designate effective dates. A prohibition adopted under this
 121.23 paragraph must be effective no earlier than January 1, 2025, and no later than January 1,
 121.24 2032. The commissioner must prioritize the prohibition of the sale of product categories
 121.25 that, in the commissioner's judgment, are most likely to contaminate or harm the state's
 121.26 environment and natural resources if they contain intentionally added PFAS.

121.27 (c) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale
 121.28 in this state any product that contains intentionally added PFAS, unless the commissioner
 121.29 has determined by rule that the use of PFAS in the product is a currently unavoidable use.
 121.30 The commissioner may specify specific products or product categories for which the
 121.31 commissioner has determined the use of PFAS is a currently unavoidable use. The

122.1 commissioner may not determine that the use of PFAS in a product is a currently unavoidable
122.2 use if the product is listed in paragraph (a).

122.3 Subd. 6. Fees. The commissioner may establish by rule a fee payable by a manufacturer
122.4 to the commissioner upon submission of the information required under subdivision 2 to
122.5 cover the agency's reasonable costs to implement this section. Fees collected under this
122.6 subdivision must be deposited in an account in the environmental fund.

122.7 Subd. 7. Enforcement. (a) The commissioner may enforce this section under sections
122.8 115.071 and 116.072. The commissioner may coordinate with the commissioners of
122.9 commerce and health in enforcing this section.

122.10 (b) When requested by the commissioner, a person must furnish to the commissioner
122.11 any information that the person may have or may reasonably obtain that is relevant to show
122.12 compliance with this section.

122.13 Subd. 8. Exemptions. (a) This section does not apply to:

122.14 (1) a product for which federal law governs the presence of PFAS in the product in a
122.15 manner that preempts state authority;

122.16 (2) a product regulated under section 325F.072 or 325F.075; or

122.17 (3) the sale or resale of a used product.

122.18 (b) Subdivisions 4 and 5 do not apply to a prosthetic or orthotic device, or to any product
122.19 that is a medical device or drug or that is otherwise used in a medical setting or in medical
122.20 applications regulated by the United States Food and Drug Administration.

122.21 Subd. 9. Rules. The commissioner may adopt rules necessary to implement this section.
122.22 Section 14.125 does not apply to the commissioner's rulemaking authority under this section.

122.23 Sec. 58. Minnesota Statutes 2022, section 171.07, is amended by adding a subdivision to
122.24 read:

122.25 Subd. 20. Watercraft operator's permit. (a) The department must maintain in its
122.26 records information transmitted electronically from the commissioner of natural resources
122.27 identifying each person to whom the commissioner has issued a watercraft operator's permit.
122.28 The records transmitted from the Department of Natural Resources must contain the full
122.29 name and date of birth as required for the driver's license or identification card. Records
122.30 that are not matched to a driver's license or identification card record may be deleted after
122.31 seven years.

123.1 (b) After receiving information under paragraph (a) that a person has received a watercraft
 123.2 operator's permit, the department must include on all drivers' licenses or Minnesota
 123.3 identification cards subsequently issued to the person a graphic or written indication that
 123.4 the person has received the permit.

123.5 (c) If a person who has received a watercraft operator's permit applies for a driver's
 123.6 license or Minnesota identification card before that information has been transmitted to the
 123.7 department, the department may accept a copy of the certificate as proof of its issuance and
 123.8 must then follow the procedures in paragraph (b).

123.9 **EFFECTIVE DATE.** This section is effective July 1, 2025.

123.10 Sec. 59. Minnesota Statutes 2022, section 297A.94, is amended to read:

123.11 **297A.94 DEPOSIT OF REVENUES.**

123.12 (a) Except as provided in this section, the commissioner shall deposit the revenues,
 123.13 including interest and penalties, derived from the taxes imposed by this chapter in the state
 123.14 treasury and credit them to the general fund.

123.15 (b) The commissioner shall deposit taxes in the Minnesota agricultural and economic
 123.16 account in the special revenue fund if:

123.17 (1) the taxes are derived from sales and use of property and services purchased for the
 123.18 construction and operation of an agricultural resource project; and

123.19 (2) the purchase was made on or after the date on which a conditional commitment was
 123.20 made for a loan guaranty for the project under section 41A.04, subdivision 3.

123.21 The commissioner of management and budget shall certify to the commissioner the date on
 123.22 which the project received the conditional commitment. The amount deposited in the loan
 123.23 guaranty account must be reduced by any refunds and by the costs incurred by the Department
 123.24 of Revenue to administer and enforce the assessment and collection of the taxes.

123.25 (c) The commissioner shall deposit the revenues, including interest and penalties, derived
 123.26 from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3,
 123.27 paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

123.28 (1) first to the general obligation special tax bond debt service account in each fiscal
 123.29 year the amount required by section 16A.661, subdivision 3, paragraph (b); and

123.30 (2) after the requirements of clause (1) have been met, the balance to the general fund.

124.1 (d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit
124.2 in the state treasury the revenues collected under section 297A.64, subdivision 1, including
124.3 interest and penalties and minus refunds, and credit them to the highway user tax distribution
124.4 fund.

124.5 (e) The commissioner shall deposit the revenues, including interest and penalties,
124.6 collected under section 297A.64, subdivision 5, in the state treasury and credit them to the
124.7 general fund. By July 15 of each year the commissioner shall transfer to the highway user
124.8 tax distribution fund an amount equal to the excess fees collected under section 297A.64,
124.9 subdivision 5, for the previous calendar year.

124.10 (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit
124.11 of revenues under paragraph (d), the commissioner shall deposit into the state treasury and
124.12 credit to the highway user tax distribution fund an amount equal to the estimated revenues
124.13 derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or
124.14 rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The
124.15 commissioner shall estimate the amount of sales tax revenue deposited under this paragraph
124.16 based on the amount of revenue deposited under paragraph (d).

124.17 (g) The commissioner shall deposit an amount of the remittances monthly into the state
124.18 treasury and credit them to the highway user tax distribution fund as a portion of the estimated
124.19 amount of taxes collected from the sale and purchase of motor vehicle repair and replacement
124.20 parts in that month. The monthly deposit amount is \$12,137,000. For purposes of this
124.21 paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and
124.22 "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and
124.23 equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle
124.24 maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor
124.25 vehicle as part of the motor vehicle maintenance or repair. For purposes of this paragraph,
124.26 "tire" means any tire of the type used on highway vehicles, if wholly or partially made of
124.27 rubber and if marked according to federal regulations for highway use.

124.28 (h) ~~72.43~~ Eighty-two percent of the revenues, including interest and penalties, transmitted
124.29 to the commissioner under section 297A.65, must be deposited by the commissioner in the
124.30 state treasury as follows:

124.31 (1) 50 percent of the receipts must be deposited in the heritage enhancement account in
124.32 the game and fish fund, and may be spent only on activities that improve, enhance, or protect
124.33 fish and wildlife resources, including conservation, restoration, and enhancement of land,
124.34 water, and other natural resources of the state;

125.1 (2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
125.2 be spent only for state parks and trails;

125.3 (3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may
125.4 be spent only on metropolitan park and trail grants;

125.5 (4) three percent of the receipts must be deposited in the natural resources fund, and
125.6 may be spent only on local trail grants; and

125.7 (5) two percent of the receipts must be deposited in the natural resources fund, and may
125.8 be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory,
125.9 and the Duluth Zoo.

125.10 (i) Two percent of the revenues, including interest and penalties, transmitted to the
125.11 commissioner under section 297A.65 must be deposited in a regional parks and trails account
125.12 in the natural resources fund and may only be spent for parks and trails of regional
125.13 significance outside of the seven-county metropolitan area under section 85.535, based on
125.14 recommendations from the Greater Minnesota Regional Parks and Trails Commission under
125.15 section 85.536.

125.16 (j) One percent of the revenues, including interest and penalties, transmitted to the
125.17 commissioner under section 297A.65 must be deposited in an outdoor recreational
125.18 opportunities for underserved communities account in the natural resources fund and may
125.19 only be spent on projects and activities that connect diverse and underserved Minnesotans
125.20 through expanding cultural environmental experiences, exploration of their environment,
125.21 and outdoor recreational activities.

125.22 ~~(k)~~ (k) The revenue dedicated under paragraph (h) may not be used as a substitute for
125.23 traditional sources of funding for the purposes specified, but the dedicated revenue shall
125.24 supplement traditional sources of funding for those purposes. Land acquired with money
125.25 deposited in the game and fish fund under paragraph (h) must be open to public hunting
125.26 and fishing during the open season, except that in aquatic management areas or on lands
125.27 where angling easements have been acquired, fishing may be prohibited during certain times
125.28 of the year and hunting may be prohibited. At least 87 percent of the money deposited in
125.29 the game and fish fund for improvement, enhancement, or protection of fish and wildlife
125.30 resources under paragraph (h) must be allocated for field operations.

125.31 ~~(l)~~ (l) The commissioner must deposit the revenues, including interest and penalties
125.32 minus any refunds, derived from the sale of items regulated under section 624.20, subdivision
125.33 1, that may be sold to persons 18 years old or older and that are not prohibited from use by
125.34 the general public under section 624.21, in the state treasury and credit:

126.1 (1) 25 percent to the volunteer fire assistance grant account established under section
126.2 88.068;

126.3 (2) 25 percent to the fire safety account established under section 297I.06, subdivision
126.4 3; and

126.5 (3) the remainder to the general fund.

126.6 For purposes of this paragraph, the percentage of total sales and use tax revenue derived
126.7 from the sale of items regulated under section 624.20, subdivision 1, that are allowed to be
126.8 sold to persons 18 years old or older and are not prohibited from use by the general public
126.9 under section 624.21, is a set percentage of the total sales and use tax revenues collected in
126.10 the state, with the percentage determined under Laws 2017, First Special Session chapter
126.11 1, article 3, section 39.

126.12 ~~(k)~~(m) The revenues deposited under paragraphs (a) to ~~(j)~~(l) do not include the revenues,
126.13 including interest and penalties, generated by the sales tax imposed under section 297A.62,
126.14 subdivision 1a, which must be deposited as provided under the Minnesota Constitution,
126.15 article XI, section 15.

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

126.17 Sec. 60. **[325E.3892] LEAD AND CADMIUM IN CONSUMER PRODUCTS;**
126.18 **PROHIBITION.**

126.19 **Subdivision 1. Definitions.** For purposes of this section, "covered product" means any
126.20 of the following products or product components:

126.21 (1) jewelry;

126.22 (2) toys;

126.23 (3) cosmetics and personal care products;

126.24 (4) puzzles, board games, card games, and similar games;

126.25 (5) play sets and play structures;

126.26 (6) outdoor games;

126.27 (7) school supplies;

126.28 (8) pots and pans;

126.29 (9) cups, bowls, and other food containers;

126.30 (10) craft supplies and jewelry-making supplies;

127.1 (11) chalk, crayons, paints, and other art supplies;

127.2 (12) fidget spinners;

127.3 (13) costumes, costume accessories, and children's and seasonal party supplies;

127.4 (14) keys, key chains, and key rings; and

127.5 (15) clothing, footwear, headwear, and accessories.

127.6 Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or
127.7 distribute or offer for use in this state any covered product containing:

127.8 (1) lead at more than 0.009 percent by total weight (90 parts per million); or

127.9 (2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

127.10 (b) This section does not apply to covered products containing lead or cadmium, or both,
127.11 when regulation is preempted by federal law.

127.12 Subd. 3. **Enforcement.** The commissioners of the Pollution Control Agency, commerce,
127.13 and health may coordinate to enforce this section. The commissioner of the Pollution Control
127.14 Agency or commerce may, with the attorney general, enforce any federal restrictions on
127.15 the sale of products containing lead or cadmium, or both, as allowed under federal law. The
127.16 commissioner of the Pollution Control Agency may enforce this section under sections
127.17 115.071 and 116.072. The commissioner of commerce may enforce this section under
127.18 sections 45.027, subdivisions 1 to 6; 325F.10 to 325F.12; and 325F.14 to 325F.16. The
127.19 attorney general may enforce this section under section 8.31.

127.20 Sec. 61. Minnesota Statutes 2022, section 325F.072, subdivision 1, is amended to read:

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

127.23 (b) "Class B firefighting foam" means foam designed ~~for flammable liquid fires to~~
127.24 prevent or extinguish a fire in flammable liquids, combustible liquids, petroleum greases,
127.25 tars, oils, oil-based paints, solvents, lacquers, alcohols, and flammable gases.

127.26 (c) "PFAS chemicals" or "perfluoroalkyl and polyfluoroalkyl substances" means, ~~for~~
127.27 ~~the purposes of firefighting agents,~~ a class of fluorinated organic chemicals containing at
127.28 least one fully fluorinated carbon atom ~~and designed to be fully functional in class B~~
127.29 ~~firefighting foam formulations.~~

127.30 (d) "Political subdivision" means a county, city, town, or a metropolitan airports
127.31 commission organized and existing under sections 473.601 to 473.679.

128.1 (e) "State agency" means an agency as defined in section 16B.01, subdivision 2.

128.2 (f) "Testing" means calibration testing, conformance testing, and fixed system testing.

128.3 Sec. 62. Minnesota Statutes 2022, section 325F.072, subdivision 3, is amended to read:

128.4 Subd. 3. **Prohibition of testing and training.** (a) ~~Beginning July 1, 2020,~~ No person,
128.5 political subdivision, or state agency shall ~~discharge class B firefighting foam that contains~~
128.6 ~~intentionally added~~ manufacture or knowingly sell, offer for sale, distribute for sale, or
128.7 distribute for use in this state, and no person shall use in this state, class B firefighting foam
128.8 containing PFAS chemicals;

128.9 ~~(1) for testing purposes, unless the testing facility has implemented appropriate~~
128.10 ~~containment, treatment, and disposal measures to prevent releases of foam to the environment;~~
128.11 ~~or~~

128.12 ~~(2) for training purposes, unless otherwise required by law, and with the condition that~~
128.13 ~~the training event has implemented appropriate containment, treatment, and disposal measures~~
128.14 ~~to prevent releases of foam to the environment. For training purposes, class B foam that~~
128.15 ~~contains intentionally added PFAS chemicals shall not be used.~~

128.16 (b) ~~This section does not restrict:~~

128.17 ~~(1) the manufacture, sale, or distribution of class B firefighting foam that contains~~
128.18 ~~intentionally added PFAS chemicals; or~~

128.19 ~~(2) the discharge or other use of class B firefighting foams that contain intentionally~~
128.20 ~~added PFAS chemicals in emergency firefighting or fire prevention operations.~~

128.21 (b) This subdivision does not apply to the manufacture, sale, distribution, or use of class
128.22 B firefighting foam for which the inclusion of PFAS chemicals is required by federal law,
128.23 including but not limited to Code of Federal Regulations, title 14, section 139.317. If a
128.24 federal requirement to include PFAS chemicals in class B firefighting foam is revoked after
128.25 January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer
128.26 exempt under this paragraph effective one year after the day of revocation.

128.27 (c) This subdivision does not apply to the manufacture, sale, distribution, or use of class
128.28 B firefighting foam for purposes of use at an airport, as defined under section 360.013,
128.29 subdivision 39, until the state fire marshal makes a determination that:

128.30 (1) the Federal Aviation Administration has provided policy guidance on the transition
128.31 to fluorine-free firefighting foam;

129.1 (2) a fluorine-free firefighting foam product is included in the Federal Aviation
129.2 Administration's Qualified Product Database; and

129.3 (3) a firefighting foam product included in the database under clause (2) is commercially
129.4 available in quantities sufficient to reliably meet the requirements under Code of Federal
129.5 Regulations, title 14, part 139.

129.6 (d) Until the state fire marshal makes a determination under paragraph (c), the operator
129.7 of an airport using class B firefighting foam containing PFAS chemicals must, on or before
129.8 December 31 each calendar year, submit a report to the state fire marshal regarding the
129.9 status of the airport's conversion to class B firefighting foam products without intentionally
129.10 added PFAS, the disposal of class B firefighting foam products with intentionally added
129.11 PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

129.12 **EFFECTIVE DATE.** This section is effective January 1, 2024.

129.13 Sec. 63. Minnesota Statutes 2022, section 325F.072, is amended by adding a subdivision
129.14 to read:

129.15 Subd. 3a. **Discharge for testing and training.** A person, political subdivision, or state
129.16 agency exempted from the prohibitions under subdivision 3 may not discharge class B
129.17 firefighting foam that contains intentionally added PFAS chemicals for:

129.18 (1) testing purposes, unless the testing facility has implemented appropriate containment,
129.19 treatment, and disposal measures to prevent releases of foam to the environment; or

129.20 (2) training purposes, unless otherwise required by law, and with the condition that the
129.21 training event has implemented appropriate containment, treatment, and disposal measures
129.22 to prevent releases of foam to the environment.

129.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

129.24 Sec. 64. **50-YEAR CLEAN WATER PLAN SCOPE OF WORK.**

129.25 (a) The University of Minnesota Water Council is requested to develop a scope of work,
129.26 timeline, and budget for a plan to promote and protect clean water in Minnesota for the next
129.27 50 years. The 50-year clean water plan must:

129.28 (1) provide a literature-based assessment of the current status and trends regarding the
129.29 quality and quantity of all Minnesota waters, both surface and subsurface;

129.30 (2) identify gaps in the data or understanding and provide recommended action steps to
129.31 address gaps;

130.1 (3) identify existing and potential future threats to Minnesota's waters; and
 130.2 (4) propose a road map of scenarios and policy recommendations to allow the state to
 130.3 proactively protect, remediate, and conserve clean water for human use and biodiversity
 130.4 for the next 50 years.

130.5 (b) The scope of work must outline the steps and resources necessary to develop the
 130.6 plan, including but not limited to:

130.7 (1) the data sets that are required and how the University of Minnesota will obtain access;

130.8 (2) the suite of proposed analysis methods;

130.9 (3) the roles and responsibilities of project leaders, key personnel, and stakeholders;

130.10 (4) the project timeline with milestones; and

130.11 (5) a budget with expected costs for tasks and milestones.

130.12 (c) By December 1, 2023, the Board of Regents of the University of Minnesota is
 130.13 requested to submit the scope of work to the chairs and ranking minority members of the
 130.14 house of representatives and senate committees and divisions with jurisdiction over
 130.15 environment and natural resources.

130.16 **Sec. 65. REPORT REQUIRED; RECYCLING AND REUSING SOLAR**
 130.17 **PHOTOVOLTAIC MODULES AND INSTALLATION COMPONENTS.**

130.18 (a) The commissioner of the Pollution Control Agency, in consultation with the
 130.19 commissioners of commerce and employment and economic development, must coordinate
 130.20 preparation of a report on developing a statewide system to reuse and recycle solar
 130.21 photovoltaic modules and installation components in the state.

130.22 (b) The report must include options for a system to collect, reuse, and recycle solar
 130.23 photovoltaic modules and installation components at end of life. Any system option included
 130.24 in the report must be convenient and accessible throughout the state, recover 100 percent
 130.25 of discarded components, and maximize value and materials recovery. Any system option
 130.26 developed must include analysis of:

130.27 (1) the reuse and recycling values of solar photovoltaic modules, installation components,
 130.28 and recovered materials;

130.29 (2) system infrastructure and technology needs;

130.30 (3) how to maximize in-state employment and economic development;

130.31 (4) net costs for the program; and

131.1 (5) potential benefits and negative impacts of the plan on environmental justice and
 131.2 Tribal communities.

131.3 (c) The report must include a survey of solar photovoltaic modules and installation
 131.4 components that are currently coming out of service and those projected to come out of
 131.5 service in the future in Minnesota. The report must include a description of how solar
 131.6 photovoltaic modules and installation components are currently being managed at end of
 131.7 life and how they would likely be managed in the future without the proposed reuse and
 131.8 recycling system.

131.9 (d) After completing the report, the commissioner must convene a working group to
 131.10 advise on developing policy recommendations for a statewide system to manage solar
 131.11 photovoltaic modules and installation components. The working group must include but is
 131.12 not limited to:

131.13 (1) the commissioners of commerce and employment and economic development or
 131.14 their designees;

131.15 (2) representatives of the solar industry and electric utilities;

131.16 (3) representatives of state, local, and Tribal governments; and

131.17 (4) other relevant stakeholders.

131.18 (e) By January 15, 2025, the commissioner must submit the report and the policy
 131.19 recommendations developed under this section to the chairs and ranking minority members
 131.20 of the legislative committees and divisions with jurisdiction over environment and natural
 131.21 resources policy and finance and energy policy and finance.

131.22 **Sec. 66. STATUTORY AND RULE REVISIONS TO PREVENT FISH KILLS IN**
 131.23 **DRIFTLESS AREA.**

131.24 By January 15, 2024, the commissioners of agriculture, health, and natural resources
 131.25 and the commissioner of the Pollution Control Agency must make recommendations to the
 131.26 legislature for statutes and rules that should be amended to prevent fish kills within the
 131.27 boundaries of the Department of Natural Resources Paleozoic Plateau ecological section.

131.28 **Sec. 67. TEMPORARY EXEMPTION FOR TERMINALS AND OIL REFINERIES.**

131.29 Subdivision 1. **Temporary exemption.** Minnesota Statutes, section 325F.072, subdivision
 131.30 3, does not apply to the manufacture, sale, distribution, or use of class B firefighting foam
 131.31 for the purposes of use at a terminal or oil refinery until January 1, 2026.

132.1 Subd. 2. Extension; waiver. (a) A person who operates a terminal or oil refinery may
132.2 apply to the state fire marshal for a waiver to extend the exemption under subdivision 1
132.3 beyond January 1, 2026, as provided in this subdivision.

132.4 (b) The state fire marshal may grant a waiver to extend the exemption under subdivision
132.5 1 for a specific use if the applicant provides all of the following:

132.6 (1) clear and convincing evidence that there is no commercially available replacement
132.7 that does not contain intentionally added PFAS chemicals and that is capable of suppressing
132.8 fire for that specific use;

132.9 (2) information on the amount of firefighting foam containing intentionally added PFAS
132.10 chemicals stored, used, or released on-site on an annual basis;

132.11 (3) a detailed plan, with timelines, for the operator of the terminal or oil refinery to
132.12 transition to firefighting foam that does not contain intentionally added PFAS chemicals
132.13 for that specific use; and

132.14 (4) a plan for meeting the requirements under subdivision 3.

132.15 (c) The state fire marshal must ensure there is an opportunity for public comment during
132.16 the waiver process. The state fire marshal must consider both information provided by the
132.17 applicant and information provided through public comment when making a decision on
132.18 whether to grant a waiver. The term of a waiver must not exceed two years. The state fire
132.19 marshal must not grant a waiver for a specific use if any other terminal or oil refinery is
132.20 known to have transitioned to commercially available class B firefighting foam that does
132.21 not contain intentionally added PFAS chemicals for that specific use. All waivers must
132.22 expire by January 1, 2028. A person that anticipates applying for a waiver for a terminal or
132.23 oil refinery must submit a notice of intent to the state fire marshal by January 1, 2025, in
132.24 order to be considered for a waiver beyond January 1, 2026. The state fire marshal must
132.25 notify the waiver applicant of a decision within six months of the waiver submission date.

132.26 (d) The state fire marshal must provide an applicant for a waiver under this subdivision
132.27 an opportunity to:

132.28 (1) correct deficiencies when applying for a waiver; and

132.29 (2) provide evidence to dispute a determination that another terminal or oil refinery is
132.30 known to have transitioned to commercially available class B firefighting foam that does
132.31 not contain intentionally added PFAS chemicals for that specific use, including evidence
132.32 that the specific use is different.

133.1 Subd. 3. Use requirements. (a) A person that uses class B firefighting foam containing
133.2 intentionally added PFAS chemicals under this section must:

133.3 (1) implement tactics that have been demonstrated to prevent release directly to the
133.4 environment, such as to unsealed ground, soakage pits, waterways, or uncontrolled drains;

133.5 (2) attempt to fully contain all firefighting foams with PFAS on-site using demonstrated
133.6 practices designed to contain all PFAS releases;

133.7 (3) implement containment measures such as bunds and ponds that are controlled, are
133.8 impervious to PFAS chemicals, and do not allow fire water, wastewater, runoff, and other
133.9 wastes to be released to the environment, such as to soils, groundwater, waterways, or
133.10 stormwater; and

133.11 (4) dispose of all fire water, wastewater, runoff, impacted soils, and other wastes in a
133.12 way that prevents releases to the environment.

133.13 (b) A terminal or oil refinery that has received a waiver under this section may provide
133.14 and use class B firefighting foam containing intentionally added PFAS chemicals in the
133.15 form of mutual aid to another terminal or oil refinery at the request of authorities only if
133.16 the other terminal or oil refinery also has a waiver.

133.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

133.18 Sec. 68. **TRANSFER OF DUTIES; FARMED WHITE-TAILED DEER.**

133.19 (a) Responsibility for administering and enforcing the statutes and rules listed in clauses
133.20 (1) and (2) for farmed white-tailed deer are, except as provided in paragraph (c), transferred
133.21 pursuant to Minnesota Statutes, section 15.039, from the Board of Animal Health to the
133.22 commissioner of natural resources:

133.23 (1) Minnesota Statutes, sections 35.153 to 35.156; and

133.24 (2) Minnesota Rules, parts 1721.0370 to 1721.0420.

133.25 (b) The Board of Animal Health retains responsibility for administering and enforcing
133.26 the statutes and rules listed in paragraph (a), clauses (1) and (2), for all other farmed Cervidae.

133.27 (c) Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, the transfer of
133.28 personnel will not take place. The commissioner of natural resources may contract with the
133.29 Board of Animal Health for any veterinary services required to administer this program.

133.30 **EFFECTIVE DATE.** This section is effective July 1, 2025.

134.1 **Sec. 69. TURTLE SELLER'S LICENSES; TRANSFER AND RENEWAL.**

134.2 The commissioner of natural resources must not renew or transfer a turtle seller's license
134.3 after the effective date of this section.

134.4 **EFFECTIVE DATE.** This section is effective January 1, 2024.

134.5 **Sec. 70. UPPER SIOUX AGENCY STATE PARK; LAND TRANSFER.**

134.6 (a) The commissioner of natural resources must convey for no consideration all
134.7 state-owned land within the boundaries of Upper Sioux Agency State Park to the Upper
134.8 Sioux Community. By September 15, 2023, the commissioner must identify all state-owned
134.9 land within Upper Sioux Agency State Park and any funding restrictions or other legal
134.10 barriers to conveying the land. Lands without restrictions or barriers to being conveyed
134.11 must be conveyed to the Upper Sioux Community by December 1, 2023.

134.12 (b) By December 15, 2023, the commissioner must submit a report to the chairs and
134.13 ranking minority members of the legislative committees with jurisdiction over environment
134.14 and natural resources that identifies all barriers to conveying land within Upper Sioux
134.15 Agency State Park and recommendations for addressing those barriers, including any
134.16 legislation needed to eliminate those barriers.

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

134.18 **Sec. 71. WHITE BEAR LAKE AREA WATER-USE STAKEHOLDER GROUP.**

134.19 The commissioner of natural resources must convene a group of stakeholders to advise
134.20 the commissioner and the legislature on options for ensuring communities in the White Bear
134.21 Lake area have access to sufficient safe drinking water to allow for municipal growth while
134.22 simultaneously ensuring the sustainability of surface water and groundwater sources to
134.23 supply the needs of future generations. By March 1, 2024, the commissioner must report
134.24 any recommendations of the stakeholder group to the chairs and ranking minority members
134.25 of the house of representatives and senate committees and divisions with jurisdiction over
134.26 environment and natural resources.

134.27 **Sec. 72. REVISOR INSTRUCTION.**

134.28 The revisor of statutes must recodify the relevant sections in Minnesota Statutes, chapter
134.29 35, and Minnesota Rules, chapter 1721, as necessary to conform with section 68. The revisor
134.30 must also change the responsible agency, remove obsolete language, and make necessary
134.31 cross-reference changes consistent with section 68 and the renumbering.

135.1 Sec. 73. **REPEALER.**

135.2 (a) Minnesota Statutes 2022, sections 103C.501, subdivisions 2 and 3; 115.44, subdivision
135.3 9; 116.011; 325E.389; and 325E.3891, are repealed.

135.4 (b) Minnesota Rules, parts 8400.0500; 8400.0550; 8400.0600, subparts 4 and 5;
135.5 8400.0900, subparts 1, 2, 4, and 5; 8400.1650; 8400.1700; 8400.1750; 8400.1800; and
135.6 8400.1900, are repealed.

135.7 (c) Minnesota Statutes 2022, sections 35.155, subdivision 14; 86B.101; 86B.305; and
135.8 86B.313, subdivisions 2 and 3, are repealed.

135.9 (d) Minnesota Statutes 2022, section 97C.605, subdivisions 2, 2a, 2b, and 5, are repealed.

135.10 (e) Minnesota Rules, part 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, and 8, are repealed.

135.11 **EFFECTIVE DATE.** Paragraph (c) is effective July 1, 2025. Paragraphs (d) and (e)
135.12 are effective January 1, 2024.

135.13

ARTICLE 5

135.14

STATE LANDS

135.15 Section 1. Minnesota Statutes 2022, section 84.66, subdivision 7, is amended to read:

135.16 Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in
135.17 the program by signing an easement in recordable form with a landowner in which the
135.18 landowner agrees to:

135.19 (1) convey to the state a permanent easement that is not subject to any prior title, lien,
135.20 or encumbrance, except for preexisting easements that are acceptable to the commissioner;
135.21 and

135.22 (2) manage the land in a manner consistent with the purposes for which the land was
135.23 selected for the program and not convert the land to other uses.

135.24 Sec. 2. Laws 2023, chapter 9, section 19, is amended to read:

135.25 Sec. 19. **LAND EXCHANGE; ST. LOUIS COUNTY.**

135.26 Subdivision 1. Authority. (a) Notwithstanding Minnesota Statutes, section 92.461, and
135.27 the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, St. Louis
135.28 County may, with the approval of the Land Exchange Board as required under the Minnesota
135.29 Constitution, article XI, section 10, and according to the remaining provisions of Minnesota
135.30 Statutes, sections 94.342 to 94.347, exchange the land described in paragraph (c).

136.1 (b) The conveyance must be in the form approved by the attorney general. The attorney
 136.2 general may make necessary changes to the legal description to correct errors and ensure
 136.3 accuracy.

136.4 (c) The lands that may be conveyed are located in St. Louis County and are described
 136.5 as:

136.6 (1) Sections 1 and 2, Township 53 North, Range 18 West;

136.7 (2) Sections 19, 20, 29, 30, 31, and 32, Township 54 North, Range 17 West;

136.8 (3) Sections 24, 25, 26, and 35, Township 54 North, Range 18 West;

136.9 (4) Sections 22, 23, 26, and 27, Township 54 North, Range 19 West; and

136.10 (5) Sections 8, 9, 17, and 18, Township 55 North, Range 18 West.

136.11 Subd. 2. Exchange for greater than substantially equal value. Notwithstanding
 136.12 Minnesota Statutes, section 94.344, subdivisions 3 and 5, or any other law to the contrary,
 136.13 the county may require the exchange partner to exchange lands or a combination of lands
 136.14 and money valued in the amount of at least 125 percent of the state land referenced in
 136.15 subdivision 1, paragraph (c), in determining whether the proposal is in the best interests of
 136.16 the state.

136.17 **Sec. 3. ADDITIONS TO STATE PARKS.**

136.18 Subdivision 1. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The
 136.19 following area is added to Frontenac State Park, Goodhue County:

136.20 That part of the Southeast Quarter of Section 10, Township 112 North, Range 13 West,
 136.21 and that part of the Southwest Quarter of Section 11, Township 112 North, Range 13
 136.22 West, Goodhue County, Minnesota, described as follows: Commencing at the northeast
 136.23 corner of the Southeast Quarter of said Section 10; thence southerly on an assumed
 136.24 azimuth from North of 189 degrees 34 minutes 33 seconds, along the east line of the
 136.25 Southeast Quarter of said Section 10, a distance of 1,100.31 feet; thence westerly 269
 136.26 degrees 34 minutes 33 seconds azimuth, a distance of 80.53 feet to the point of beginning
 136.27 of the land to be described; thence northerly 340 degrees 42 minutes 19 seconds azimuth,
 136.28 a distance of 300.00 feet; thence easterly 100 degrees 22 minutes 46 seconds azimuth,
 136.29 a distance of 286.97 feet to the centerline of County Road Number 2, as now located
 136.30 and established; thence southerly and southwesterly, along said centerline, to the
 136.31 intersection with a line drawn southerly 160 degrees 42 minutes 19 seconds azimuth

137.1 from the point of beginning; thence northerly 340 degrees 42 minutes 19 seconds azimuth,
 137.2 a distance of 51.66 feet to the point of beginning.

137.3 EXCEPT the following described premises:

137.4 Part of the Northeast Quarter of the Southeast Quarter of Section 10, Township 112
 137.5 North, Range 13 West, Goodhue County, shown as Parcel 6 on the plat designated as
 137.6 Goodhue County Right-of-Way Plat No. 23 on file and of record in the Office of the
 137.7 County Recorder in and for Goodhue County, Minnesota.

137.8 ALSO EXCEPT the following:

137.9 Part of the Northwest Quarter of the Southwest Quarter of Section 11, Township 112
 137.10 North, Range 13 West, Goodhue County, shown as Parcel 1 on the plat designated as
 137.11 Goodhue County Highway Right-Of-Way Plat No. 24 on file and of record in the Office
 137.12 of the County Recorder in and for Goodhue County, Minnesota.

137.13 Subd. 2. [85.012] [Subd. 60.] William O'Brien State Park, Washington County. The
 137.14 following area is added to William O'Brien State Park, Washington County:

137.15 The South Half of the Northwest Quarter, except the East 2 rods thereof, Section 25,
 137.16 Township 32, Range 20.

137.17 Sec. 4. **ADDITION TO STATE FOREST.**

137.18 **[89.021] [Subd. 42a.] Riverlands State Forest.** Those parts of St. Louis County
 137.19 described as follows are added to Riverlands State Forest:

137.20 That part of Government Lot 8, Section 30, Township 51 North, Range 19, St. Louis
 137.21 County, Minnesota, lying northwesterly of the railroad right-of-way.

137.22 Sec. 5. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
 137.23 **WATER; AITKIN COUNTY.**

137.24 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
 137.25 commissioner of natural resources may sell by private sale the surplus land bordering public
 137.26 water that is described in paragraph (c).

137.27 (b) The commissioner may make necessary changes to the legal description to correct
 137.28 errors and ensure accuracy.

137.29 (c) The land that may be sold is located in Aitkin County and is described as:

138.1 The West 16.25 feet of that part of the 32.50-foot-wide road, as delineated on the Plat
138.2 of Sugar Lake Addition, according to the plat of record and on file in the Office of the
138.3 County Recorder in and for Aitkin County, Minnesota lying northerly of the following
138.4 described line: Commencing at the iron monument at the southwest corner of Section
138.5 2, Township 45, Range 25, said Aitkin County, Minnesota; thence North 0 degrees 00
138.6 minutes 23 seconds West, assumed bearing, 2,020.36 feet along the west line of said
138.7 Section 2 to the point of beginning of the line to be described; thence North 89 degrees
138.8 59 minutes 37 seconds East 32.50 feet to the west line of Lot 1 said Sugar Lake Addition
138.9 and said line there terminating.

138.10 (d) The land borders Sugar Lake. The Department of Natural Resources has determined
138.11 that the land is not needed for natural resource purposes and that the state's land management
138.12 interests would best be served if the land was returned to private ownership.

138.13 **Sec. 6. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
138.14 **WATER; BECKER COUNTY.**

138.15 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
138.16 commissioner of natural resources may sell by public sale the surplus land bordering public
138.17 water that is described in paragraph (c).

138.18 (b) The commissioner may make necessary changes to the legal description to correct
138.19 errors and ensure accuracy.

138.20 (c) The land that may be sold is located in Becker County and is described as:

138.21 All that part of Government Lot 2, Section 12, Township 139 North, Range 40 West of
138.22 the 5th P.M., bounded by the water's edge of Cotton Lake and the following described
138.23 lines: Commencing at the North quarter corner of said Section 12, from which the
138.24 northwest corner of said section bears North 90 degrees 00 minutes West; thence South
138.25 00 degrees 00 minutes East, 325.0 feet; thence North 90 degrees 00 minutes East, 72.0
138.26 feet to the point of beginning and the centerline of County State-Aid Highway No. 29;
138.27 thence South 25 degrees 52 minutes East, 222.27 feet along the centerline of said
138.28 highway; thence North 90 degrees 00 minutes West, 284.0 feet, more or less, to the
138.29 water's edge of Cotton Lake and there terminating; and from the point of beginning,
138.30 North 90 degrees 00 minutes West, 249.1 feet, more or less, to the water's edge of Cotton
138.31 Lake and there terminating.

138.32 (d) The land borders Cotton Lake and is not contiguous to other state lands. The
138.33 Department of Natural Resources has determined that the land is not needed for natural

139.1 resource purposes and that the state's land management interests would best be served if
139.2 the land was returned to private ownership.

139.3 **Sec. 7. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC**
139.4 **WATER; BECKER COUNTY.**

139.5 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
139.6 commissioner of natural resources may sell by public sale the surplus land bordering public
139.7 water that is described in paragraph (c).

139.8 (b) The commissioner may make necessary changes to the legal description to correct
139.9 errors and ensure accuracy.

139.10 (c) The land that may be sold is located in Becker County and is described as:

139.11 Lot 1, Pearl Hill, according to the certified plat on file and of record in the Office of the
139.12 Register of Deeds in and for Becker County, Minnesota, and being a part of Government
139.13 Lots 2 and 3, Section 13, Township 138 North, Range 42 West.

139.14 (d) The land borders Pearl Lake and is not contiguous to other state lands. The Department
139.15 of Natural Resources has determined that the land is not needed for natural resource purposes
139.16 and that the state's land management interests would best be served if the land was returned
139.17 to private ownership.

139.18 **Sec. 8. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER;**
139.19 **CROW WING COUNTY.**

139.20 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
139.21 commissioner of natural resources may sell by private sale the surplus land that is described
139.22 in paragraph (c).

139.23 (b) The commissioner may make necessary changes to the legal description to correct
139.24 errors and ensure accuracy.

139.25 (c) The land that may be conveyed is located in Crow Wing County and is described as:

139.26 That part of Government Lot 2, Section 11, Township 44, Range 28, Crow Wing County,
139.27 Minnesota, described as follows: Commencing at the southeast corner of said Government
139.28 Lot 2; thence South 89 degrees 08 minutes 05 seconds West, assumed bearing along the
139.29 south line of said Government Lot 2 a distance of 203.73 feet to the westerly right-of-way
139.30 of State Highway No. 18; thence North 24 degrees 13 minutes 27 seconds West, along
139.31 said westerly right-of-way 692.40 feet, to the point of beginning; thence continuing

140.1 North 24 degrees 13 minutes 27 seconds West along said westerly right-of-way 70.31
140.2 feet; thence North 89 degrees 25 minutes 27 seconds West 90.00 feet; thence South 11
140.3 degrees 16 minutes 29 seconds East 87.00 feet; thence North 78 degrees 43 minutes 31
140.4 seconds East 103.84 feet to the point of beginning. Said parcel contains 0.17 acres of
140.5 land, more or less, and is subject to existing easements of record.

140.6 (d) The tax parcel from which the land will be split borders Borden Lake, but the land
140.7 to be sold does not border Borden Lake. The Department of Natural Resources has
140.8 determined that the land is not needed for natural resource purposes and that the state's land
140.9 management interests would best be served if the land were returned to private ownership.

140.10 **Sec. 9. PRIVATE SALE OF TAX-FORFEITED LAND; ITASCA COUNTY.**

140.11 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
140.12 other law to the contrary, Itasca County may sell by private sale the tax-forfeited land
140.13 described in paragraph (c).

140.14 (b) The conveyance must be in a form approved by the attorney general. The attorney
140.15 general may make changes to the land description to correct errors and ensure accuracy.

140.16 (c) The land to be sold is located in Itasca County and is described as: the Northwest
140.17 Quarter of the Southeast Quarter, Section 25, Township 56, Range 25 (parcel identification
140.18 number 02-025-4200).

140.19 (d) The county has determined that the county's land management interests would best
140.20 be served if the lands were returned to private ownership.

140.21 **Sec. 10. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING**
140.22 **PUBLIC WATER; KANDIYOHI COUNTY.**

140.23 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
140.24 commissioner of natural resources may sell by public or private sale the surplus land that
140.25 is described in paragraph (c), subject to the state's reservation of a perpetual flowage
140.26 easement.

140.27 (b) The commissioner may make necessary changes to the legal description to correct
140.28 errors and ensure accuracy.

140.29 (c) The land that may be sold is located in Kandiyohi County and is described as:

141.1 Lots 18 and 19 of First Addition to Walleye Beach, according to the plat thereof on file
141.2 and of record in the Office of the Register of Deeds in and for Kandiyohi County,
141.3 Minnesota.

141.4 (d) The land borders Florida Lake and is not contiguous to other state lands. The
141.5 Department of Natural Resources has determined that the land is not needed for natural
141.6 resource purposes and that the state's land management interests would best be served if
141.7 the land was returned to private ownership.

141.8 Sec. 11. **PRIVATE SALE OF TAX-FORFEITED LANDS; KOOCHICHING**
141.9 **COUNTY.**

141.10 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
141.11 any other law to the contrary, Koochiching County may sell by private sale the tax-forfeited
141.12 lands described in paragraph (c).

141.13 (b) The conveyance must be in a form approved by the attorney general. The attorney
141.14 general may make changes to the land description to correct errors and ensure accuracy.

141.15 (c) The land to be sold is located in Koochiching County and is described as:

141.16 That part of Lot 53, Plat of Riverview Acres, according to the recorded plat thereof on
141.17 file in the Office of the County Recorder, Koochiching County, Minnesota, lying
141.18 northwesterly of the following described line: Commencing at the northwest corner of
141.19 said Lot 53; thence South 89 degrees 59 minutes 47 seconds East 31.00 feet along the
141.20 north line of said Lot 53 to the point of beginning of the line to be described; thence
141.21 South 67 degrees 10 minutes 42 seconds West 33.51 feet to the west line of said Lot 53
141.22 and there terminating. Said parcel contains 200 square feet, more or less.

141.23 (d) The county has determined that the county's land management interests would best
141.24 be served if the lands were returned to private ownership.

141.25 Sec. 12. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

141.26 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
141.27 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land
141.28 described in paragraph (c).

141.29 (b) The conveyance must be in a form approved by the attorney general. The attorney
141.30 general may make changes to the land description to correct errors and ensure accuracy.

141.31 (c) The land to be sold is located in St. Louis County and is described as:

142.1 Lot 6, Block 12, Chambers First Division of Duluth (parcel number 010-0460-00660).

142.2 (d) The county has determined that the county's land management interests would best
142.3 be served if the land was returned to private ownership to resolve a structure encroachment.

142.4 Sec. 13. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

142.5 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
142.6 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land
142.7 described in paragraph (c).

142.8 (b) The conveyance must be in a form approved by the attorney general. The attorney
142.9 general may make changes to the land description to correct errors and ensure accuracy.

142.10 (c) The land to be sold is located in St. Louis County and is described as:

142.11 The West 3 feet of the North 20 feet of Lot 87, Block 75, Duluth Proper Third Division
142.12 (parcel number 010-1310-01945).

142.13 (d) The county has determined that the county's land management interests would best
142.14 be served if the land was returned to private ownership to resolve a structure encroachment.

142.15 Sec. 14. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

142.16 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
142.17 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land
142.18 described in paragraph (c).

142.19 (b) The conveyance must be in a form approved by the attorney general. The attorney
142.20 general may make changes to the land description to correct errors and ensure accuracy.

142.21 (c) The land to be sold is located in St. Louis County and is described as:

142.22 Lot 90, except the North 100 feet and except the East Half of the South 50 feet of Lot
142.23 90 and except the West 6 feet of the South 50 feet of the West Half of Lot 90, Block 75,
142.24 Duluth Proper Third Division (parcel number 010-1310-02125).

142.25 (d) The county has determined that the county's land management interests would best
142.26 be served if the land was returned to private ownership to resolve a structure encroachment.

142.27 Sec. 15. **PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

142.28 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
142.29 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land
142.30 described in paragraph (c).

143.1 (b) The conveyance must be in a form approved by the attorney general. The attorney
143.2 general may make changes to the land description to correct errors and ensure accuracy.

143.3 (c) The land to be sold is located in St. Louis County and is described as:

143.4 Block 11, Endion Park Division of Duluth (parcel number 010-1490-00860).

143.5 (d) The county has determined that the county's land management interests would best
143.6 be served if the land was returned to private ownership to resolve a structure encroachment.

143.7 **Sec. 16. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

143.8 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
143.9 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands
143.10 described in paragraph (c).

143.11 (b) The conveyances must be in a form approved by the attorney general. The attorney
143.12 general may make changes to the land descriptions to correct errors and ensure accuracy.

143.13 (c) The lands to be sold are located in St. Louis County and are described as:

143.14 (1) Lots 52, 54, and 56, Fond Du Lac Fourth Street Duluth (parcel number
143.15 010-1620-01260);

143.16 (2) Lots 58 and 60, Fond Du Lac Fourth Street Duluth (parcel number 010-1620-01290);

143.17 (3) Lots 21 thru 39, odd numbers, and Lot 41 except the North 52 feet, and except the
143.18 North 52 feet of Lots 43, 45, and 47, and Lots 49 and 51 except that part lying North of a
143.19 line drawn from a point on the westerly line of Lot 49 and 52 feet South of the northwest
143.20 corner to a point on the easterly line of Lot 51 38.1 feet South of the northeast corner, and
143.21 all of Lots 53, 55, 57, and 59, and except that part of Lots 21 thru 39, odd numbered lots,
143.22 lying 20 feet northerly and 20 feet southerly of a line beginning at a point on the west line
143.23 of Lot 21 13.56 feet South of the northwest corner of Lot 21; thence to a point 54.83 feet
143.24 South of the northeast corner along the east line of Lot 39, and except the southerly 46 feet
143.25 of the northerly 98 feet of Lots 41, 43, and 45, and except that part of Lots 47 thru 57, odd
143.26 numbered lots, described as beginning at a point on the west line of Lot 47 52 feet South
143.27 of the northwest corner of Lot 47; thence easterly 40 feet to a point on the east line of Lot
143.28 47 52 feet South of the northeast corner of Lot 47; thence northeasterly 81.22 feet to a point
143.29 on the east line of Lot 51 38.1 feet South of the northeast corner of Lot 51; thence North
143.30 17.3 feet to a point on the east line of Lot 51 20.8 feet South of the northeast corner of Lot
143.31 51; thence northeasterly 82.68 feet to the northwest corner of Lot 57; thence East 40 feet
143.32 to the northeast corner of Lot 57; thence South 64.1 feet along the east line of Lot 57; thence

144.1 southwesterly 242.22 feet to a point on the west line of Lot 47 98 feet South of the northwest
 144.2 corner of Lot 47; thence North 46 feet along the west line of Lot 47 to the point of beginning,
 144.3 and except Lot 59, and except that part of Lots 25, 27, 29, 31, 33, 35, 37, and 39 lying
 144.4 southerly of a line run parallel with and distant 20 feet southerly of the following described
 144.5 line: beginning at a point on the west line of Lot 21, distant 13.56 feet South of the northwest
 144.6 corner thereof; thence southeasterly to a point on the east line of said Lot 39, distant 54.83
 144.7 feet South of the northeast corner thereof and there terminating, Fond Du Lac Fourth Street
 144.8 Duluth (parcel number 010-1620-00290); and

144.9 (4) that part of Lots 21 thru 39, odd numbered lots, lying 20 feet northerly and 20 feet
 144.10 southerly of a line beginning at a point on the west line of Lot 21 13.56 feet South of the
 144.11 northwest corner of Lot 21; thence to a point 54.83 feet South of the northeast corner along
 144.12 the east line of Lot 39 and the southerly 46 feet of the northerly 98 feet of Lots 41, 43, and
 144.13 45, and that part of Lots 47 thru 57, odd numbered lots, described as beginning at a point
 144.14 on the west line of Lot 47 52 feet South of the northwest corner of Lot 47; thence easterly
 144.15 40 feet to a point on the east line of Lot 47 52 feet South of the northeast corner of Lot 47;
 144.16 thence northeasterly 81.22 feet to a point on the east line of Lot 51 38.1 feet South of the
 144.17 northeast corner of Lot 51; thence North 17.3 feet to a point on the east line of Lot 51 20.8
 144.18 feet South of the northeast corner of Lot 51; thence northeasterly 82.68 feet to the northwest
 144.19 corner of Lot 57; thence East 40 feet to the northeast corner of Lot 57; thence South 64.1
 144.20 feet along the east line of Lot 57; thence southwesterly 242.22 feet to a point on the west
 144.21 line of Lot 47 98 feet South of the northwest corner of Lot 47; thence North 46 feet along
 144.22 the west line of Lot 47 to the point of beginning, and Lot 59, Fond Du Lac Fourth Street
 144.23 Duluth (parcel number 010-1620-00291).

144.24 (d) The county has determined that the county's land management interests would best
 144.25 be served if the lands were returned to private ownership for the Mission Creek Cemetery.

144.26 **Sec. 17. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

144.27 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
 144.28 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited lands
 144.29 described in paragraph (c).

144.30 (b) The conveyances must be in a form approved by the attorney general. The attorney
 144.31 general may make changes to the land descriptions to correct errors and ensure accuracy.

144.32 (c) The lands to be sold are located in St. Louis County and are described as:

144.33 (1) Lot 28, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01140);

- 145.1 (2) Lot 30, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01150);
 145.2 (3) Lot 32, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01160);
 145.3 (4) Lot 34, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01170);
 145.4 (5) Lot 36, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01180);
 145.5 (6) Lot 38, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01190);
 145.6 (7) Lots 40 thru 48, even numbered lots, Fond Du Lac Fourth Street Duluth (part of
 145.7 parcel number 010-1620-01200); and
 145.8 (8) Lot 50, Fond Du Lac Fourth Street Duluth (part of parcel number 010-1620-01250).
 145.9 (d) The county has determined that the county's land management interests would best
 145.10 be served if the lands were returned to private ownership for the Mission Creek Cemetery.

145.11 **Sec. 18. PRIVATE SALE OF TAX-FORFEITED LANDS; ST. LOUIS COUNTY.**

145.12 (a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or
 145.13 other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land
 145.14 described in paragraph (c).

145.15 (b) The conveyance must be in a form approved by the attorney general. The attorney
 145.16 general may make changes to the land description to correct errors and ensure accuracy.

145.17 (c) The land to be sold is located in St. Louis County and is described as:

145.18 The South Half of Section 31, Township 50, Range 20, Town of Fine Lakes (part of
 145.19 parcel number 355-0010-04960).

145.20 (d) The county has determined that the county's land management interests would best
 145.21 be served if the land was returned to private ownership to resolve a structure encroachment.

145.22 **Sec. 19. PRIVATE SALE OF SURPLUS LAND BORDERING PUBLIC WATER;**
 145.23 **SHERBURNE COUNTY.**

145.24 (a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the
 145.25 commissioner of natural resources may sell by private sale the surplus land bordering public
 145.26 water that is described in paragraph (c) for less than market value.

145.27 (b) The commissioner may make necessary changes to the legal description to correct
 145.28 errors and ensure accuracy.

145.29 (c) The land that may be conveyed is located in Sherburne County and is described as:

146.1 That part of Government Lot 6, Section 31, Township 34 North, Range 27 West,
146.2 Sherburne County, Minnesota, described as follows: Commencing at the most northerly
146.3 corner of Outlot A, Eagle Lake Estates, according to the plat thereof on file and of record
146.4 in the Office of the County Recorder in and for Sherburne County, Minnesota, being an
146.5 existing iron monument with an aluminum cap stamped "Judicial Landmark 16095"
146.6 (JLM); thence southwesterly 146.20 feet along the easterly line of said Outlot A on a
146.7 curve concave to the southeast, having a central angle of 14 degrees 41 minutes 15
146.8 seconds, radius of 570.32 feet, and a chord bearing of South 29 degrees 12 minutes 20
146.9 seconds West, to a JLM; thence South 21 degrees 51 minutes 43 seconds West, along
146.10 said easterly line, 196.53 feet to the point of beginning; thence continuing South 21
146.11 degrees 51 minutes 43 seconds West, along said easterly line, 35.00 feet to a JLM; thence
146.12 South 89 degrees 38 minutes 17 seconds East, along the northerly line of said Outlot A,
146.13 87 feet, more or less, to the water's edge of Eagle Lake; thence northerly along said
146.14 water's edge, 45 feet, more or less, to a line bearing North 80 degrees 55 minutes 20
146.15 seconds East from the point of beginning; thence South 80 degrees 55 minutes 20 seconds
146.16 West 70 feet, more or less, to the point of beginning.

146.17 (d) The Department of Natural Resources has determined that the land is not needed for
146.18 natural resource purposes and that the state's land management interests would best be
146.19 served if the land were returned to private ownership.

146.20 **Sec. 20. LEASE; TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

146.21 (a) Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary,
146.22 St. Louis County may lease the tax-forfeited lands described in paragraph (b) for
146.23 consideration of more than \$50,000 per year and for a period exceeding 25 years to support
146.24 new capital investment to support business expansion in the port.

146.25 (b) The lands to be leased are located in St. Louis County and are described as:

146.26 (1) that part of Out Lot Q described as follows: Commencing at the intersection of the
146.27 extended center line of 50th Avenue West the United States government dock line as now
146.28 established running thence North along said extended center line of 50th Avenue West a
146.29 distance of 1261 feet; thence southerly parallel with the southwesterly line of Lesure Street
146.30 to intersection with the said dock line; thence westerly along said dock line to place of
146.31 beginning (parcel number: 010-0130-00310) except public waters; and

146.32 (2) that part of Out Lots Q and R as follows: Commencing at the intersection of extended
146.33 center line of 50th Avenue West and the United States government dock line running thence
146.34 North along said extended center line of 50th Avenue West 1261 feet to the place of

147.1 beginning; thence southerly parallel with the southwest line of Lesure Street to intersection
147.2 with said dock line; thence easterly along said dock line to a point 550 feet southwesterly
147.3 from said southwesterly line of Lesure Street measured at right angles thereto; thence
147.4 northwesterly parallel with said southwestern line of Lesure Street to said extended center
147.5 line of said 50th Avenue West thence southerly along center line to place of beginning,
147.6 excluding the railroad right-of-way (parcel number: 010-0130-00320) except public waters.

147.7 Sec. 21. **EXCHANGE OF STATE LAND; ST. LOUIS COUNTY.**

147.8 Subdivision 1. **Authority.** (a) Notwithstanding Minnesota Statutes, section 92.461, and
147.9 the riparian restrictions in Minnesota Statutes, section 94.342, subdivision 3, the
147.10 commissioner of natural resources may, with the approval of the Land Exchange Board, as
147.11 required under the Minnesota Constitution, article XI, section 10, and according to the
147.12 remaining provisions of Minnesota Statutes, sections 94.342 to 94.347, exchange the land
147.13 described in paragraph (c).

147.14 (b) The conveyance must be in a form approved by the commissioner. The commissioner
147.15 may make necessary changes to the legal description to correct errors and ensure accuracy.

147.16 (c) The state lands that may be conveyed are located in St. Louis County and are described
147.17 as:

147.18 (1) Section 6, Township 53 North, Range 17 West;

147.19 (2) the Northeast Quarter of Section 29, Township 54 North, Range 17 West;

147.20 (3) the South Half of Section 30, Township 54 North, Range 17 West;

147.21 (4) the Northwest Quarter of Section 31, Township 54 North, Range 17 West; and

147.22 (5) Section 36, Township 54 North, Range 18 West.

147.23 (d) The state land administered by the commissioner of natural resources borders Jenkins
147.24 Creek in portions of Sections 30 and 31 of Township 54 North, Range 17 West and includes
147.25 approximately 210 feet of water frontage on Nichols Lake on Lot 7 of Section 6, Township
147.26 53 North, Range 17 West. The private land to be exchanged is forest land. While the
147.27 exchange proposal does not provide at least equal opportunity for access to waters by the
147.28 public, the land to be acquired by the commissioner in the exchange will increase the total
147.29 riparian frontage of future state-administered lands and improve access to adjacent state
147.30 forest lands.

147.31 Subd. 2. **Exchange for greater than substantially equal value.** (a) Notwithstanding
147.32 Minnesota Statutes, section 94.343, subdivisions 3 and 5, or any other law to the contrary,

148.1 the commissioner shall require the exchange partner to exchange lands or a combination of
148.2 lands and money valued in the amount of at least 125 percent of the state land referenced
148.3 in subdivision 1, paragraph (c), in determining whether the proposal is in the best interests
148.4 of the school trust.

148.5 (b) Any money received under this subdivision shall be deposited in the permanent
148.6 school fund pursuant to Minnesota Statutes, section 127A.32.

148.7 Sec. 22. **PRIVATE SALE OF LAND; ST. LOUIS COUNTY.**

148.8 (a) Notwithstanding the public sale and competitive bidding provisions of Minnesota
148.9 Statutes, chapter 373, or other law to the contrary, St. Louis County may sell by private sale
148.10 the fee owned lands described in paragraph (b).

148.11 (b) The lands to be sold are located in St. Louis County and are described as:

148.12 (1) the Southeast Quarter of the Northeast Quarter of Section 26, Township 54 North,
148.13 Range 18 West of the 4th Principal Meridian; and

148.14 (2) the Northeast Quarter of the Southeast Quarter of Section 25, Township 54 North,
148.15 Range 18 West of the 4th Principal Meridian.

148.16 (c) St. Louis County has determined that county interests are best served by sale of these
148.17 parcels.

148.18 Sec. 23. **EFFECTIVE DATE.**

148.19 This article is effective the day following final enactment.

148.20

ARTICLE 6

148.21

STRENGTHEN MINNESOTA HOMES

148.22 Section 1. **[65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM**
148.23 **STANDARDS.**

148.24 Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the
148.25 meaning given.

148.26 (b) "Insurable property" means a residential property designated as meeting the Fortified
148.27 program standards as administered by the Insurance Institute for Business and Home Safety
148.28 (IBHS).

149.1 Subd. 2. **Fortified new property.** (a) An insurer must provide a premium discount or
149.2 an insurance rate reduction to an owner who builds or locates a new insurable property in
149.3 Minnesota.

149.4 (b) An owner of insurable property claiming a premium discount or rate reduction under
149.5 this subdivision must submit a certificate issued by IBHS showing proof of compliance
149.6 with the Fortified program standards to the insurer prior to receiving the premium discount
149.7 or rate reduction.

149.8 Subd. 3. **Fortified existing property.** (a) An insurer must provide a premium discount
149.9 or insurance rate reduction to an owner who retrofits an existing property to meet the
149.10 requirements to be an insurable property in Minnesota.

149.11 (b) An owner of insurable property claiming a premium discount or rate reduction under
149.12 this subdivision must submit a certificate issued by IBHS showing proof of compliance
149.13 with the Fortified program standards to the insurer prior to receiving the premium discount
149.14 or rate reduction.

149.15 Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified
149.16 rates and a rating plan for a person who builds or locates a new insurable property in
149.17 Minnesota.

149.18 (b) An insurer must submit to the commissioner actuarially justified rates and a rating
149.19 plan for a person who retrofits an existing property to meet the requirements to be an
149.20 insurable property.

149.21 (c) An insurer may offer, in addition to the premium discount and insurance rate
149.22 reductions required under subdivisions 2 and 3, more generous mitigation adjustments to
149.23 an owner of insurable property.

149.24 (d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer
149.25 under this section applies only to policies that include wind coverage and may be applied
149.26 (1) only to the portion of the premium for wind coverage or; (2) for the total premium, if
149.27 the insurer does not separate the premium for wind coverage in the insurer's rate filing.

149.28 Sec. 2. **[65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

149.29 Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota
149.30 Homes Act."

149.31 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
149.32 the meanings given.

150.1 (b) "Insurable property" has the meaning given in section 65A.298, subdivision 1.

150.2 (c) "Program" means the Strengthen Minnesota Homes program established under this
150.3 section.

150.4 Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota
150.5 Homes program is established within the Department of Commerce. The purpose of the
150.6 program is to provide grants to retrofit insurable property to resist loss due to common
150.7 perils, including but not limited to tornadoes or other catastrophic windstorm events.

150.8 Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen
150.9 Minnesota homes account is created as a separate account in the special revenue fund of
150.10 the state treasury. The account consists of money provided by law and any other money
150.11 donated, allotted, transferred, or otherwise provided to the account. Earnings, including
150.12 interest, dividends, and any other earnings arising from assets of the account, must be
150.13 credited to the account. Money remaining in the account at the end of a fiscal year does not
150.14 cancel to the general fund and remains in the account until expended. The commissioner
150.15 must manage the account.

150.16 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
150.17 under the program, and (2) the reasonable costs incurred by the commissioner to administer
150.18 the program.

150.19 Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable
150.20 property.

150.21 (b) Grant money provided under this section must not be used for maintenance or repairs,
150.22 but may be used in conjunction with repairs or reconstruction necessitated by damage from
150.23 wind or hail.

150.24 (c) A project funded by a grant under this section must be completed within three months
150.25 of the date the grant is approved. Failure to complete the project in a timely manner may
150.26 result in forfeiture of the grant.

150.27 Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative
150.28 procedures to implement this section, and (2) criteria used to determine whether an applicant
150.29 is eligible for a grant under this section.

150.30 Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a
150.31 contractor on a project funded by a grant under this section, the contractor must meet all of
150.32 the following program requirements and must maintain a current copy of all certificates,

- 151.1 licenses, and proof of insurance coverage with the program office. The eligible contractor
151.2 must:
- 151.3 (1) hold a valid residential building contractor and residential remodeler license issued
151.4 by the commissioner of labor and industry;
- 151.5 (2) not be subject to disciplinary action by the commissioner of labor and industry;
- 151.6 (3) hold any other valid state or jurisdictional business license or work permits required
151.7 by law;
- 151.8 (4) possess an in-force general liability policy with \$1,000,000 in liability coverage;
- 151.9 (5) possess an in-force workers' compensation policy with \$1,000,000 in coverage;
- 151.10 (6) possess a certificate of compliance from the commissioner of revenue;
- 151.11 (7) successfully complete the Fortified Roof for High Wind and Hail training provided
151.12 by the IBHS or IBHS's successor and maintain an active certification and provide a certificate
151.13 of successful completion. The training may be offered as separate courses;
- 151.14 (8) agree to the terms and successfully register as a vendor with the commissioner of
151.15 management and budget and receive direct deposit of payment for mitigation work performed
151.16 under the program;
- 151.17 (9) maintain Internet access and keep a valid email address on file with the program and
151.18 remain active in the commissioner of management and budget's vendor and supplier portal
151.19 while working on the program;
- 151.20 (10) maintain an active email address for the communication with the program;
- 151.21 (11) successfully complete the program training; and
- 151.22 (12) agree to follow program procedures and rules established under this section and by
151.23 the commissioner.
- 151.24 (b) An eligible contractor must not have a financial interest, other than payment on
151.25 behalf of the homeowner, in any project for which the eligible contractor performs work
151.26 toward a fortified designation under the program. An eligible contractor is prohibited from
151.27 acting as the evaluator for a fortified designation on any project funded by the program. An
151.28 eligible contractor must report to the commissioner regarding any potential conflict of
151.29 interest before work commences on any job funded by the program.
- 151.30 Subd. 8. Evaluator eligibility; conflicts of interest. (a) To be eligible to work on the
151.31 program as an evaluator, the evaluator must meet all program eligibility requirements and

152.1 must submit to the commissioner and maintain a copy of all current certificates and licenses.

152.2 The evaluator must:

152.3 (1) be in good standing with IBHS and maintain an active certification as a fortified
152.4 home evaluator for high wind and hail or a successor certification;

152.5 (2) possess a Minnesota business license and be registered with the secretary of state;

152.6 and

152.7 (3) successfully complete the program training.

152.8 (b) An evaluator must not have a financial interest in any project that the evaluator
152.9 inspects for designation purposes for the program. An evaluator must not be an eligible
152.10 contractor or supplier of any material, product, or system installed in any home that the
152.11 evaluator inspects for designation purposes for the program. An evaluator must not be a
152.12 sales agent for any home being designated for the program. An evaluator must inform the
152.13 commissioner of any potential conflict of interest impacting the evaluator's participation in
152.14 the program.

152.15 Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications
152.16 for completeness and must perform appropriate audits to verify (1) the accuracy of the
152.17 information on the application, and (2) that the applicant meets all eligibility rules. All
152.18 verified applicants must be placed in the order the application was received. Grants must
152.19 be awarded on a first-come, first-served basis, subject to availability of money for the
152.20 program.

152.21 (b) When a grant is approved, an approval letter must be sent to the applicant.

152.22 (c) An eligible contractor is prohibited from beginning work until a grant is approved.

152.23 (d) In order to ensure equitable distribution of grants in proportion to the income
152.24 demographics in counties where the program is made available, grant applications must be
152.25 accepted on a first-come, first-served basis. The commissioner may establish pilot projects
152.26 as needed to establish a sustainable program distribution system in any geographic area
152.27 within Minnesota.

152.28 Subd. 10. **Grant award process; release of grant money.** (a) After a grant application
152.29 is approved, the eligible contractor selected by the homeowner may begin the mitigation
152.30 work.

152.31 (b) Once the mitigation work is completed, the eligible contractor must submit a copy
152.32 of the signed contract to the commissioner, along with an invoice seeking payment and an
152.33 affidavit stating the fortified standards were met by the work.

153.1 (c) The IBHS evaluator must conduct all required evaluations, including a required
 153.2 interim inspection during construction and the final inspection, and must confirm that the
 153.3 work was completed according to the mitigation specifications.

153.4 (d) Grant money must be released on behalf of an approved applicant only after a fortified
 153.5 designation certificate has been issued for the home. The program or another designated
 153.6 entity must, on behalf of the homeowner, directly pay the eligible contractor that performed
 153.7 the mitigation work. The program or the program's designated entity must pay the eligible
 153.8 contractor the costs covered by the grant. The homeowner must pay the eligible contractor
 153.9 for the remaining cost after receiving an IBHS fortified certificate.

153.10 (e) The program must confirm that the homeowner's insurer provides the appropriate
 153.11 premium credit.

153.12 (f) The program must conduct random reinspections to detect any fraud and must submit
 153.13 any irregularities to the attorney general.

153.14 Subd. 11. **Limitations.** (a) This section does not create an entitlement for property
 153.15 owners or obligate the state of Minnesota to pay for residential property in Minnesota to be
 153.16 inspected or retrofitted. The program under this section is subject to legislative appropriations,
 153.17 the receipt of federal grants or money, or the receipt of other sources of grants or money.
 153.18 The department may obtain grants or other money from the federal government or other
 153.19 funding sources to support and enhance program activities.

153.20 (b) All mitigation under this section is contingent upon securing all required local permits
 153.21 and applicable inspections to comply with local building codes and applicable Fortified
 153.22 program standards. A mitigation project receiving a grant under this section is subject to
 153.23 random reinspection at a later date.

153.24 **ARTICLE 7**

153.25 **ENERGY POLICY**

153.26 **Section 1. [16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL**
 153.27 **ANALYSIS.**

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

153.30 (b) "Carbon steel" means steel in which the main alloying element is carbon and whose
 153.31 properties are chiefly dependent on the percentage of carbon present.

153.32 (c) "Commissioner" means the commissioner of administration.

- 154.1 (d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats
154.2 the charge materials with electric arcs from carbon electrodes.
- 154.3 (e) "Eligible material" means:
- 154.4 (1) carbon steel rebar;
- 154.5 (2) structural steel;
- 154.6 (3) concrete; or
- 154.7 (4) asphalt paving mixtures.
- 154.8 (f) "Eligible project" means:
- 154.9 (1) new construction of a state building larger than 50,000 gross square feet of occupied
154.10 or conditioned space;
- 154.11 (2) renovation of more than 50,000 gross square feet of occupied or conditioned space
154.12 in a state building whose renovation cost exceeds 50 percent of the building's assessed value;
154.13 or
- 154.14 (3) new construction or reconstruction of two or more lane-miles of a trunk highway.
- 154.15 (g) "Environmental product declaration" means a supply chain specific type III
154.16 environmental product declaration that:
- 154.17 (1) contains a material production lifecycle assessment of the environmental impacts of
154.18 manufacturing a specific product by a specific firm, including the impacts of extracting and
154.19 producing the raw materials and components that compose the product;
- 154.20 (2) is verified by a third party; and
- 154.21 (3) meets the ISO 14025 standard developed and maintained by the International
154.22 Organization for Standardization (ISO).
- 154.23 (h) "Global warming potential" has the meaning given in section 216H.10, subdivision
154.24 6.
- 154.25 (i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions"
154.26 in section 216H.01, subdivision 2.
- 154.27 (j) "Integrated steel production" means the production of iron and subsequently steel
154.28 primarily from iron ore or iron ore pellets.

155.1 (k) "Lifecycle" means an analysis that includes the environmental impacts of all stages
155.2 of a specific product's production, from mining and processing the product's raw materials
155.3 to the process of manufacturing the product.

155.4 (l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

155.5 (m) "Secondary steel production" means the production of steel from primarily ferrous
155.6 scrap and other metallic inputs that are melted and refined in an electric arc furnace.

155.7 (n) "State building" means a building owned by the state of Minnesota or a Minnesota
155.8 state agency.

155.9 (o) "Structural steel" means steel that is classified by the shape of the steel's
155.10 cross-sections, such as I, T, and C shapes.

155.11 (p) "Supply chain specific" means an environmental product declaration that includes
155.12 specific data for the production processes of the materials and components composing a
155.13 product that contribute at least 80 percent of the product's material production lifecycle
155.14 global warming potential, as defined in ISO standard 21930.

155.15 Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall,
155.16 after reviewing the recommendations from the Environmental Standards Procurement Task
155.17 Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable
155.18 global warming potential for each eligible material used in an eligible project, in accordance
155.19 with the following schedule:

155.20 (1) for concrete used in buildings, no later than January 15, 2026; and

155.21 (2) for carbon steel rebar and structural steel and, after conferring with the commissioner
155.22 of transportation, for asphalt paving mixtures and concrete pavement, no later than January
155.23 15, 2028.

155.24 (b) The commissioner shall, after considering nationally or internationally recognized
155.25 databases of environmental product declarations for an eligible material, establish the
155.26 maximum acceptable global warming potential for the eligible material.

155.27 (c) The commissioner may set different maximum global warming potentials for different
155.28 specific products and subproduct categories that are examples of the same eligible material
155.29 based on distinctions between eligible material production and manufacturing processes,
155.30 such as integrated versus secondary steel production.

155.31 (d) The commissioner must establish maximum global warming potentials that are
155.32 consistent with criteria in an environmental product declaration.

156.1 (e) Not later than three years after establishing the maximum global warming potential
156.2 for an eligible material under paragraph (a) and not longer than every three years thereafter
156.3 the commissioner, after conferring with the commissioner of transportation with respect to
156.4 asphalt paving mixtures and concrete pavement, shall review the maximum acceptable
156.5 global warming potential for each eligible material and for specific eligible material products.
156.6 The commissioner may adjust any of the values downward to reflect industry improvements
156.7 if, based on the process described in paragraph (b), the commissioner determines the industry
156.8 average has declined.

156.9 Subd. 3. **Procurement process.** The Department of Administration and the Department
156.10 of Transportation shall, after reviewing the recommendations of the Environmental Standards
156.11 Procurement Task Force made under subdivision 5, paragraph (c), establish processes for
156.12 incorporating the maximum allowable global warming potential of eligible materials into
156.13 bidding processes by the effective dates listed in subdivision 2.

156.14 Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration
156.15 must establish a pilot program that seeks to obtain from vendors an estimate of the material
156.16 production lifecycle greenhouse gas emissions of products selected by the departments from
156.17 among those procured. The pilot program must encourage, but may not require, a vendor
156.18 to submit the following data for each selected product that represents at least 90 percent of
156.19 the total cost of the materials or components composing the selected product:

156.20 (1) the quantity of the product purchased by the department;

156.21 (2) a current environmental product declaration for the product;

156.22 (3) the name and location of the product's manufacturer;

156.23 (4) a copy of the vendor's Supplier Code of Conduct, if any;

156.24 (5) the names and locations of the product's actual production facilities; and

156.25 (6) an assessment of employee working conditions at the product's production facilities.

156.26 (b) The Department of Administration must construct or provide access to a publicly
156.27 accessible database, which shall be posted on the department's website and contain the data
156.28 reported to the department under this subdivision.

156.29 Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October
156.30 1, 2023, the commissioners of administration and transportation must establish an
156.31 Environmental Standards Procurement Task Force to examine issues surrounding the
156.32 implementation of a program requiring vendors of certain construction materials purchased
156.33 by the state to:

157.1 (1) submit environmental product declarations that assess the material production lifecycle
157.2 environmental impacts of the materials to state officials as part of the procurement process;
157.3 and

157.4 (2) meet standards established by the commissioner of administration that limit
157.5 greenhouse gas emissions impacts of the materials.

157.6 (b) The task force must examine, at a minimum, the following:

157.7 (1) which construction materials should be subject to the program requirements and
157.8 which construction materials should be considered to be added, including lumber, aluminum,
157.9 glass, and insulation;

157.10 (2) what factors should be considered in establishing greenhouse gas emissions standards,
157.11 including distinctions between eligible material production and manufacturing processes,
157.12 such as integrated versus secondary steel production;

157.13 (3) a schedule for the development of standards for specific materials and for
157.14 incorporating the standards into the purchasing process, including distinctions between
157.15 eligible material production and manufacturing processes;

157.16 (4) the development and use of financial incentives to reward vendors for developing
157.17 products whose greenhouse gas emissions are below the standards;

157.18 (5) the provision of grants to defer a vendor's cost to obtain environmental product
157.19 declarations;

157.20 (6) how to ensure that lowering environmental product declaration values does not
157.21 negatively impact the durability or longevity of construction materials or built structures;

157.22 (7) how the issues in clauses (1) to (5) are addressed by existing programs in other states
157.23 and countries;

157.24 (8) coordinating with the federal Buy Clean Task Force established under Executive
157.25 Order 14057 and representatives of the United States Departments of Commerce, Energy,
157.26 Housing and Urban Development, and Transportation; Environmental Protection Agency;
157.27 General Services Administration; White House Office of Management and Budget; and the
157.28 White House Domestic Climate Policy Council; and

157.29 (9) any other issues the task force deems relevant.

157.30 (c) The task force shall make recommendations to the commissioners of administration
157.31 and transportation regarding:

- 158.1 (1) how to implement requirements that maximum global warming impacts for eligible
158.2 materials be integrated into the bidding process for eligible projects;
- 158.3 (2) incentive structures that can be included in bidding processes to encourage the use
158.4 of materials whose global warming potential is below the maximum established under
158.5 subdivision 2;
- 158.6 (3) how a successful bidder for a contract notifies the commissioner of the specific
158.7 environmental product declaration for a material used on a project;
- 158.8 (4) a process for waiving the requirements to procure materials below the maximum
158.9 global warming potential resulting from product supply problems, geographic
158.10 impracticability, or financial hardship;
- 158.11 (5) a system for awarding grants to manufacturers of eligible materials located in
158.12 Minnesota to offset the cost of obtaining environmental product declarations or otherwise
158.13 collect environmental product declaration data from manufacturers based in Minnesota;
- 158.14 (6) whether to use an industry average or a different method to set the maximum allowable
158.15 global warming potential, or whether that average could be used for some materials but not
158.16 others;
- 158.17 (7) how to create and manage a database for environmental product declaration data that
158.18 is consistent with data governance procedures of the departments and is compatible for data
158.19 sharing with other states and federal agencies;
- 158.20 (8) how to account for differences among geographical regions with respect to the
158.21 availability of covered materials, fuel and other necessary resources, and the quantity of
158.22 covered materials that the department uses or plans to use; and
- 158.23 (9) any other items task force deems necessary in order to implement this section.
- 158.24 (d) Members of the task force must include but are not limited to representatives of:
- 158.25 (1) the Departments of Administration and Transportation;
- 158.26 (2) the Center for Sustainable Building Research at the University of Minnesota;
- 158.27 (3) the Aggregate and Ready Mix Association of Minnesota;
- 158.28 (4) the Concrete Paving Association of Minnesota;
- 158.29 (5) the Minnesota Asphalt Pavement Association;
- 158.30 (6) the Minnesota Board of Engineering;
- 158.31 (7) a representative of the Minnesota iron mining industry;

159.1 (8) building and transportation construction firms;

159.2 (9) suppliers of eligible materials;

159.3 (10) organized labor in the construction trades;

159.4 (11) organized labor in the manufacturing or industrial sectors;

159.5 (12) environmental advocacy organizations; and

159.6 (13) environmental justice organizations.

159.7 (e) The Department of Administration must provide meeting space and serve as staff to
159.8 the task force.

159.9 (f) The commissioner of administration or the commissioner's designee shall serve as
159.10 chair of the task force. The task force must meet at least four times annually and may convene
159.11 additional meetings at the call of the chair.

159.12 (g) The commissioner of administration shall summarize the findings and
159.13 recommendations of the task force in a report submitted to the chairs and ranking minority
159.14 members of the senate and house of representatives committees with primary jurisdiction
159.15 over state government, transportation, and energy no later than December 1, 2025, and
159.16 annually thereafter for as long as the task force continues its operations.

159.17 (h) The task force is subject to section 15.059, subdivision 6.

159.18 (i) The task force expires on January 1, 2029.

159.19 Subd. 6. **Environmental product declarations; grant program.** A grant program is
159.20 established in the Department of Administration to award grants to manufacturers to assist
159.21 in obtaining environmental product declarations or in otherwise collecting environmental
159.22 product declaration data from manufacturers in Minnesota. The commissioner of
159.23 administration shall develop procedures for processing grant applications and making grant
159.24 awards. Grant applicants must submit an application to the commissioner on a form
159.25 prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant
159.26 program and is responsible for receiving and reviewing grant applications and awarding
159.27 grants under this subdivision.

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

159.29 Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

159.30 Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

160.1 (1) focus on achieving the lowest possible lifetime cost, considering both construction
 160.2 and operating costs, for new buildings and major renovations, and;

160.3 (2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy
 160.4 conservation improvements in new buildings and major renovations. ~~The guidelines shall;~~

160.5 (3) define "major renovations" for purposes of this section. ~~The definition may not allow~~
 160.6 "major renovations" to encompass not less than 10,000 square feet or to encompass not less
 160.7 than the replacement of the mechanical, ventilation, or cooling system of the a building or
 160.8 a building section of the building. ~~The design guidelines must;~~

160.9 (4) establish sustainability guidelines that include air quality and lighting standards and
 160.10 that create and maintain a healthy environment and facilitate productivity improvements;

160.11 (5) establish resiliency guidelines to encourage design that allows buildings to adapt to
 160.12 and accommodate projected climate-related changes that are reflected in both acute events
 160.13 and chronic trends, including but not limited to changes in temperature and precipitation
 160.14 levels;

160.15 (6) specify ways to reduce material costs; and ~~must~~

160.16 (7) consider the long-term operating costs of the building, including the use of renewable
 160.17 energy sources and distributed electric energy generation that uses a renewable source or
 160.18 natural gas or a fuel that is as clean or cleaner than natural gas.

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

160.20 Sec. 3. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to
 160.21 read:

160.22 Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric
 160.23 vehicle at a charging station located within the Capitol area, as defined in section 15B.02,
 160.24 must pay an electric service fee established by the commissioner.

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

160.26 Sec. 4. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

160.27 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when
 160.28 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner
 160.29 or the agency shall purchase a motor vehicle that is capable of being powered by cleaner
 160.30 fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid
 160.31 fuel, if the total life-cycle cost of ownership is less than or comparable to that of other

161.1 ~~vehicles and if the vehicle is capable~~ the motor vehicle according to the following vehicle
 161.2 preference order:

161.3 (1) an electric vehicle;

161.4 (2) a hybrid electric vehicle;

161.5 (3) a vehicle capable of being powered by cleaner fuels; and

161.6 (4) a vehicle powered by gasoline or diesel fuel.

161.7 (b) The commissioner may only reject a vehicle that is higher on the vehicle preference
 161.8 order if:

161.9 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;

161.10 or

161.11 (2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten

161.12 percent higher than the next vehicle type on the vehicle preference order.

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

161.14 Sec. 5. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

161.15 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,
 161.16 technically, and economically feasible, subject to the specific needs of the department and
 161.17 responsible management of agency finances:

161.18 (1) ensure that all new on-road vehicles ~~purchased~~, excluding emergency and law
 161.19 enforcement vehicles, are purchased in conformity with the vehicle preference order
 161.20 established in section 16C.135, subdivision 3;

161.21 ~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

161.22 ~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~
 161.23 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~
 161.24 ~~hydrogen-powered vehicles; or~~

161.25 ~~(iii) are powered solely by electricity;~~

161.26 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and
 161.27 hydrogen from agricultural products; and

161.28 (3) increase its use of web-based Internet applications and other electronic information
 161.29 technologies to enhance the access to and delivery of government information and services

162.1 to the public, and reduce the reliance on the department's fleet for the delivery of such
162.2 information and services.

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

162.4 Sec. 6. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

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

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

162.20 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
162.21 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
162.22 plant must transfer to the renewable development account \$500,000 each year for each dry
162.23 cask containing spent fuel that is located at the Prairie Island power plant for each year the
162.24 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
162.25 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
162.26 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
162.27 part of a year. Amounts required to be transferred by the public utility to the renewable
162.28 development account under this paragraph must be reduced each year by the amount of any
162.29 payments made by the public utility to the Prairie Island Indian Community under section
162.30 216B.1645, subdivision 4, paragraph (c).

162.31 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
162.32 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
162.33 plant must transfer to the renewable development account \$350,000 each year for each dry
162.34 cask containing spent fuel that is located at the Monticello nuclear power plant for each

163.1 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
163.2 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
163.3 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
163.4 any part of a year.

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

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

163.17 (g) If the commission approves a new or amended power purchase agreement, or the
163.18 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
163.19 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
163.20 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
163.21 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
163.22 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
163.23 30 days after the commission approves the new or amended power purchase agreement, or
163.24 the termination of the power purchase agreement, and on each June 1 thereafter through
163.25 2021, to assist the transition required by the new, amended, or terminated power purchase
163.26 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
163.27 to the renewable development account as provided in paragraphs (b) and (e).

163.28 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
163.29 and (g) is limited to the amount deposited into the renewable development account, and its
163.30 predecessor, the renewable development account, established under this section, that was
163.31 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
163.32 10.

163.33 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
163.34 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued

164.1 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
164.2 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
164.3 in which the commission finds, by the preponderance of the evidence, that the public utility
164.4 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
164.5 permanent or interim storage site out of the state. This determination shall be made at least
164.6 every two years.

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

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

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

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

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

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

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

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

164.21 (2) "grid modernization" means:

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

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

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

164.29 (l) A renewable development account advisory group that includes, among others,
164.30 representatives of the public utility and its ratepayers, and includes at least one representative
164.31 of the Prairie Island Indian community appointed by that community's tribal council, shall
164.32 develop recommendations on account expenditures. The advisory group must design a

165.1 request for proposal and evaluate projects submitted in response to a request for proposals.
165.2 The advisory group must utilize an independent third-party expert to evaluate proposals
165.3 submitted in response to a request for proposal, including all proposals made by the public
165.4 utility. A request for proposal for research and development under paragraph (j), clause (1),
165.5 may be limited to or include a request to higher education institutions located in Minnesota
165.6 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
165.7 projects may include a provision that exempts the projects from the third-party expert review
165.8 and instead provides for project evaluation and selection by a merit peer review grant system.
165.9 In the process of determining request for proposal scope and subject and in evaluating
165.10 responses to request for proposals, the advisory group must strongly consider, where
165.11 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

165.12 (m) The advisory group shall submit funding recommendations to the public utility,
165.13 which has full and sole authority to determine which expenditures shall be submitted by
165.14 the advisory group to the legislature. The commission may approve proposed expenditures,
165.15 may disapprove proposed expenditures that it finds not to be in compliance with this
165.16 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
165.17 modify proposed expenditures. The commission shall, by order, submit its funding
165.18 recommendations to the legislature as provided under paragraph (n).

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

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

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

165.27 (o) A request for proposal for renewable energy generation projects must, when feasible
165.28 and reasonable, give preference to projects that are most cost-effective for a particular energy
165.29 source.

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

166.1 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
166.2 management and budget shall submit a written report regarding the availability of funds in
166.3 and obligations of the account to the chairs and ranking minority members of the senate
166.4 and house committees with jurisdiction over energy policy and finance, the public utility,
166.5 and the advisory group.

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

166.10 (s) Final reports, any mid-project status reports, and renewable development account
166.11 financial reports must be posted online on a public website designated by the commissioner
166.12 of commerce.

166.13 (t) All final reports must acknowledge that the project was made possible in whole or
166.14 part by the Minnesota renewable development account, noting that the account is financed
166.15 by the public utility's ratepayers.

166.16 (u) Of the amount in the renewable development account, priority must be given to
166.17 making the payments required under section 216C.417.

166.18 (v) Construction projects receiving funds from this account are subject to the requirement
166.19 to pay the prevailing wage rate, as defined in section 177.42 and the requirements and
166.20 enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

166.21 **EFFECTIVE DATE.** This section is effective the day following final enactment and
166.22 applies to construction contracts entered into on or after that date.

166.23 Sec. 7. Minnesota Statutes 2022, section 116C.7792, is amended to read:

166.24 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

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

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

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

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

167.8 (1) \$10,000,000 in 2021;

167.9 (2) \$10,000,000 in 2022;

167.10 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

167.11 (4) ~~\$5,000,000~~ \$15,000,000 in 2024.

167.12 (e) Of the amounts allocated under paragraph (d), clauses (3) and (4), half in each year
167.13 must be reserved for solar energy systems owned and constructed by persons with limited
167.14 financial resources.

167.15 ~~(e)~~ (f) Funds allocated to the solar energy production incentive program that have not
167.16 been committed to a specific project at the end of a program year remain available to the
167.17 solar energy production incentive program.

167.18 ~~(f)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to
167.19 the renewable development account.

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

167.25 ~~(h)~~ (i) The utility must file a plan to operate the program with the commissioner of
167.26 commerce. The utility may not operate the program until it is approved by the commissioner.
167.27 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
167.28 less does not require the utility to file a plan with the commissioner. Any plan approved by
167.29 the commissioner of commerce must not provide an increased incentive scale over prior
167.30 years unless the commissioner demonstrates that changes in the market for solar energy
167.31 facilities require an increase.

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

168.1 **Sec. 8. [116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

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

168.4 (b) "Agency" means the Minnesota Pollution Control Agency.

168.5 (c) "Commissioner" means the commissioner of commerce.

168.6 (d) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that
168.7 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

168.8 (e) "Corrective action determination" means a decision by the agency regarding actions
168.9 to be taken to remediate contaminated soil and groundwater at Area C.

168.10 (f) "Owner" means the owner of the solar energy generating system planned to be
168.11 deployed at Area C.

168.12 (g) "Solar energy generating system" has the meaning given in section 216E.01,
168.13 subdivision 9a.

168.14 **Subd. 2. Account established.** (a) The Area C contingency account is established as a
168.15 separate account in the special revenue fund in the state treasury. Transfers and appropriations
168.16 to the account, and any earnings or dividends accruing to assets in the account, must be
168.17 credited to the account. The commissioner shall serve as fiscal agent and shall manage the
168.18 account.

168.19 (b) Money in the account is appropriated to the commissioner to make payments to an
168.20 owner under this section.

168.21 **Subd. 3. Distribution of funds; conditions.** Money from the account may be distributed
168.22 by the commissioner to the owner of a solar energy generating system planned to be deployed
168.23 at Area C under the following conditions:

168.24 (1) the agency issues a corrective action determination after the owner has begun to
168.25 design or construct the project, and the nature of the corrective action determination requires
168.26 (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

168.27 (2) the agency issues a corrective action determination whose work plan requires
168.28 temporary cessation or partial or complete removal of the solar energy generating system
168.29 after it has become operational.

168.30 **Subd. 4. Distribution of funds; process.** (a) The owner may file a request for distribution
168.31 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing

169.1 must (1) describe the nature of the impact of the agency's work plan that results in economic
169.2 losses to the owner, and (2) include a reasonable estimate of the amount of those losses.

169.3 (b) The owner must provide the commissioner with information the commissioner
169.4 determines to be necessary to assist in the review of the filing required under this subdivision.

169.5 (c) The commissioner shall review the owner's filing within 60 days of submission and
169.6 shall approve a request the commissioner determines is reasonable.

169.7 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this
169.8 section may be used by the owner only to pay for:

169.9 (1) removal, storage, and transportation costs incurred for removal of the solar energy
169.10 generating system or any associated infrastructure, and any costs to reinstall equipment;

169.11 (2) costs of redesign or new equipment or infrastructure made necessary by the activities
169.12 of the agency's work plan;

169.13 (3) lost revenues resulting from the inability of the solar energy generating system to
169.14 generate sufficient electricity to fulfill the terms of the power purchase agreement between
169.15 the owner and the purchaser of electricity generated by the solar energy generating system;

169.16 (4) other damages incurred under the power purchase agreement resulting from the
169.17 cessation of operations made necessary by the activities of the agency's work plan; and

169.18 (5) the cost of energy required to replace the energy that was to be generated by the solar
169.19 energy generating system and purchased under the power purchase agreement.

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

169.21 Sec. 9. **[123B.661] AIR VENTILATION PROGRAM ACT.**

169.22 Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

169.23 Sec. 10. **[123B.662] DEFINITIONS.**

169.24 Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.663, the terms in
169.25 this section have the meanings given unless the language or context clearly indicates that
169.26 a different meaning is intended.

169.27 Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

169.28 Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air
169.29 Conditioning Engineers.

170.1 Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician
170.2 certified to perform testing, adjusting, and balancing of HVAC systems by the Associated
170.3 Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting
170.4 and Balancing Bureau.

170.5 Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

170.6 Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a
170.7 professional engineer licensed under sections 326.02 to 326.15 who holds an active license,
170.8 is in good standing, and is not subject to any disciplinary or other actions with the Board
170.9 of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and
170.10 Interior Design.

170.11 Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by
170.12 ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices
170.13 for Removal Efficiency by Particle Size.

170.14 Subd. 8. **Program.** "Program" means the air ventilation program.

170.15 Subd. 9. **Program administrator.** "Program administrator" means the commissioner
170.16 of commerce or the commissioner's representative.

170.17 Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one
170.18 of the following:

170.19 (1) a certified TAB technician; or

170.20 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

170.21 Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the
170.22 following:

170.23 (1) a certified TAB technician; or

170.24 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

170.25 Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program"
170.26 means an apprenticeship program that is registered under chapter 178 or Code of Federal
170.27 Regulations, title 29, part 29.

170.28 Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a
170.29 workforce in which at least 80 percent of the construction workers are either graduates of
170.30 a registered apprenticeship program for the applicable occupation or are registered as
170.31 apprentices in a registered apprenticeship program for the applicable occupation.

171.1 Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.

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

171.3 Sec. 11. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND**
171.4 **GUIDELINES.**

171.5 Subdivision 1. **Grant program.** The Department of Commerce shall establish and
171.6 administer the air ventilation program to award grants to school boards to reimburse the
171.7 school boards for the following activities:

171.8 (1) completion of a heating, ventilation, and air conditioning assessment report;

171.9 (2) subsequent testing, adjusting balancing work performed as a result of assessment;

171.10 and

171.11 (3) ventilation equipment upgrades, replacements, or other measures recommended by
171.12 the assessment to improve health, safety, and HVAC system efficiency.

171.13 Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school
171.14 board meets the following requirements:

171.15 (1) completes a heating, ventilation, and air conditioning assessment report by qualified
171.16 testing personnel or qualified adjusting personnel. The report must be verified by a licensed
171.17 professional engineer and include costs of adjustments or repairs necessary to meet minimum
171.18 ventilation and filtration requirements and determine whether any cost-effective energy
171.19 efficiency upgrades or replacements are warranted or recommended;

171.20 (2) all work required after conducting the assessment must be performed by a skilled
171.21 and trained workforce;

171.22 (3) upon completion of the work for which a school board is seeking reimbursement,
171.23 the school board must conduct an HVAC verification report that includes the name and
171.24 address of the school facility and individual or contractor preparing and certifying the report
171.25 and a description of the assessment, maintenance, adjustment, repair, upgrade, and
171.26 replacement activities and outcomes; and

171.27 (4) verification that the school board has complied with all requirements. Verification
171.28 must include documentation that either MERV 13 filters have been installed or verification
171.29 that the maximum MERV-rated filter that the system is able to effectively handle has been
171.30 installed; documentation of the MERV rating; the verified ventilation rates for occupied
171.31 areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE
171.32 Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not

172.1 meet applicable requirements documenting why the current system is unable to meet
172.2 requirements; the verified exhaust for occupied areas and whether those rates meet the
172.3 requirements set forth in the system design intent; documentation of system deficiencies;
172.4 recommendations for additional maintenance, replacement, or upgrades to improve energy
172.5 efficiency, safety, or performance; documentation of initial operating verifications,
172.6 adjustments, and final operating verifications; documentation of any adjustments or repairs
172.7 performed; verification of installation of carbon dioxide monitors, including the make and
172.8 model of monitors; and verification that all work has been performed by qualified personnel,
172.9 including the contractor's name, certified TAB technician name and certification number,
172.10 and verification that all construction work has been performed by a skilled and trained
172.11 workforce.

172.12 (b) Grants shall be prioritized to give direct support to schools and school children in
172.13 communities with high rates of poverty, as determined by receipt of federal Title I funding.

172.14 (c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for
172.15 work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of
172.16 \$50,000.

172.17 (d) The school board shall maintain a copy of the HVAC verification report and make
172.18 it available to students, parents, school personnel, and to any member of the public or the
172.19 program administrator upon request.

172.20 Subd. 3. **Program guidelines and rules.** (a) The program administrator shall:

172.21 (1) adopt guidelines for the air ventilation program no later than March 1, 2024;

172.22 (2) establish the timing of grant funding; and

172.23 (3) ensure the air ventilation program is operating and may receive applications for
172.24 grants no later than November 1, 2023, and begin to approve applications no later than
172.25 January 1, 2024, subject to the availability of funds.

172.26 (b) The technical and reporting requirements of the air ventilation program may be
172.27 amended by the program administrator as necessary to reflect current COVID-19 guidance
172.28 or other applicable guidance, to achieve the intent of the air ventilation program, and to
172.29 ensure consistency with other related requirements and codes.

172.30 (c) The program administrator may use no more than five percent of the program funds
172.31 for administering the program, including providing technical support to program participants.

173.1 Sec. 12. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to
173.2 read:

173.3 Subd. 2a. Dealer training; electric vehicles. (a) A new motor vehicle dealer licensed
173.4 under this chapter that operates under an agreement or franchise from a manufacturer and
173.5 sells electric vehicles must maintain at least one employee who is certified as having
173.6 completed a training course offered by a Minnesota motor vehicle dealership association
173.7 that addresses at least the following elements:

173.8 (1) fundamentals of electric vehicles;

173.9 (2) electric vehicle charging options and costs;

173.10 (3) publicly available electric vehicle incentives;

173.11 (4) projected maintenance and fueling costs for electric vehicles;

173.12 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric
173.13 vehicles;

173.14 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and

173.15 (7) best practices to sell electric vehicles.

173.16 (b) For the purposes of this section, "electric vehicle" has the meaning given in section
173.17 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

173.18 **EFFECTIVE DATE.** This section is effective January 1, 2024.

173.19 Sec. 13. Minnesota Statutes 2022, section 216B.16, subdivision 10, is amended to read:

173.20 Subd. 10. **Intervenor compensation.** (a) A nonprofit organization or an individual
173.21 granted formal intervenor status by the commission is eligible to receive compensation.

173.22 (b) The commission may order a utility to compensate all or part of an eligible intervenor's
173.23 reasonable costs of participation in a general rate case that comes before the commission
173.24 when the commission finds that the intervenor has materially assisted the commission's
173.25 deliberation and when a lack of compensation would present financial hardship to the
173.26 intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding.
173.27 For the purpose of this subdivision, "materially assisted" means that the intervenor's
173.28 participation and presentation was useful and seriously considered, or otherwise substantially
173.29 contributed to the commission's deliberations in the proceeding.

173.30 (c) In determining whether an intervenor has materially assisted the commission's
173.31 deliberation, the commission must consider, among other factors, whether:

174.1 (1) the intervenor represented an interest that would not otherwise have been adequately
174.2 represented;

174.3 (2) the evidence or arguments presented or the positions taken by the intervenor were
174.4 an important factor in producing a fair decision;

174.5 (3) the intervenor's position promoted a public purpose or policy;

174.6 (4) the evidence presented, arguments made, issues raised, or positions taken by the
174.7 intervenor would not have been a part of the record without the intervenor's participation;
174.8 and

174.9 (5) the administrative law judge or the commission adopted, in whole or in part, a position
174.10 advocated by the intervenor.

174.11 (d) In determining whether the absence of compensation would present financial hardship
174.12 to the intervenor, the commission must consider:

174.13 (1) whether the costs presented in the intervenor's claim reflect reasonable fees for
174.14 attorneys and expert witnesses and other reasonable costs; and

174.15 (2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

174.16 (e) An intervenor seeking compensation must file a request and an affidavit of service
174.17 with the commission, and serve a copy of the request on each party to the proceeding. The
174.18 request must be filed 30 days after the later of (1) the expiration of the period within which
174.19 a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed
174.20 or (2) the date the commission issues an order following rehearing, amendment, vacation,
174.21 reconsideration, or reargument.

174.22 (f) The compensation request must include:

174.23 (1) the name and address of the intervenor or representative of the nonprofit organization
174.24 the intervenor is representing;

174.25 (2) proof of the organization's nonprofit, tax-exempt status;

174.26 (3) the name and docket number of the proceeding for which compensation is requested;

174.27 (4) a list of actual annual revenues and expenses of the organization the intervenor is
174.28 representing for the preceding year and projected revenues, revenue sources, and expenses
174.29 for the current year;

174.30 (5) the organization's balance sheet for the preceding year and a current monthly balance
174.31 sheet;

175.1 (6) an itemization of intervenor costs and the total compensation request; and

175.2 (7) a narrative explaining why additional organizational funds cannot be devoted to the
175.3 intervention.

175.4 (g) Within 30 days after service of the request for compensation, a party may file a
175.5 response, together with an affidavit of service, with the commission. A copy of the response
175.6 must be served on the intervenor and all other parties to the proceeding.

175.7 (h) Within 15 days after the response is filed, the intervenor may file a reply with the
175.8 commission. A copy of the reply and an affidavit of service must be served on all other
175.9 parties to the proceeding.

175.10 (i) If additional costs are incurred as a result of additional proceedings following the
175.11 commission's initial order, the intervenor may file an amended request within 30 days after
175.12 the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

175.13 (j) The commission must issue a decision on intervenor compensation within 60 days
175.14 of a filing by an intervenor.

175.15 (k) A party may request reconsideration of the commission's compensation decision
175.16 within 30 days of the decision.

175.17 (l) If the commission issues an order requiring payment of intervenor compensation, the
175.18 utility that was the subject of the proceeding must pay the compensation to the intervenor,
175.19 and file with the commission proof of payment, within 30 days after the later of (1) the
175.20 expiration of the period within which a petition for reconsideration of the commission's
175.21 compensation decision must be filed or (2) the date the commission issues an order following
175.22 reconsideration of its order on intervenor compensation.

175.23 (m) This subdivision is effective only after section 216B.631 expires.

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

175.25 Sec. 14. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

175.28 (b) "Battery exchange station" means a physical location deploying equipment that
175.29 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
175.30 vehicle battery.

176.1 (c) "Electric vehicle" means any device or contrivance that transports persons or property
176.2 and is capable of being powered by an electric motor drawing current from rechargeable
176.3 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes
176.4 but is not limited to:

176.5 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

176.6 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

176.7 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

176.8 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

176.9 (5) an aircraft, as defined in section 360.013, subdivision 37.

176.10 (d) "Electric vehicle charging station" means a physical location deploying equipment
176.11 that:

176.12 (1) transfers electricity to an electric vehicle battery;

176.13 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

176.14 (3) exchanges electric vehicle batteries; or

176.15 (4) provides other equipment used to charge or fuel electric vehicles.

176.16 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any
176.17 associated machinery, equipment, and infrastructure necessary for a public utility to supply
176.18 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle
176.19 operation.

176.20 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
176.21 electricity through electrochemical reactions.

176.22 (g) "Government entity" means the state, a state agency, or a political subdivision, as
176.23 defined in section 13.02, subdivision 11.

176.24 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

176.25 Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and
176.26 periodically as ordered by the commission, a public utility must file a transportation
176.27 electrification plan with the commission that is designed to:

176.28 (1) maximize the overall benefits of electric vehicles and other electrified transportation
176.29 while minimizing overall costs; and

176.30 (2) promote the:

- 177.1 (i) purchase of electric vehicles by the public utility's customers; and
- 177.2 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.
- 177.3 (b) A transportation electrification plan may include but is not limited to the following
- 177.4 elements:
- 177.5 (1) programs to educate and increase the awareness and benefits of electric vehicles and
- 177.6 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family
- 177.7 and multifamily housing developers and property management companies, building owners
- 177.8 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential
- 177.9 users of electric vehicles;
- 177.10 (2) utility investments to support transportation electrification across all customer classes,
- 177.11 including but not limited to investments to facilitate:
- 177.12 (i) the deployment of electric vehicles for personal and commercial use; customer-owned,
- 177.13 third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle
- 177.14 infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification;
- 177.15 and other electric utility infrastructure needed to support transportation electrification;
- 177.16 (ii) widespread access to publicly available electric vehicle charging stations; and
- 177.17 (iii) the electrification of public transit and vehicle fleets owned or operated by a
- 177.18 government entity;
- 177.19 (3) research and demonstration projects to increase access to electricity as a transportation
- 177.20 fuel, minimize the system costs of electric transportation, and inform future transportation
- 177.21 electrification plans;
- 177.22 (4) rate structures or programs that encourage electric vehicle charging that optimizes
- 177.23 electric grid operation, including time-varying rates and charging optimization programs;
- 177.24 (5) programs to increase access to the benefits of electricity as a transportation fuel for
- 177.25 low- or moderate-income customers and communities and in neighborhoods most affected
- 177.26 by transportation-related air emissions;
- 177.27 (6) proposals to expedite commission consideration of program adjustments requested
- 177.28 during the term of an approved transportation electrification plan; and
- 177.29 (7) proposals to share information and results from transportation electrification projects
- 177.30 with stakeholders to promote effective electrification in all areas of the state.
- 177.31 Subd. 3. **Transportation electrification plan; review and implementation.** The
- 177.32 commission may approve, modify, or reject a transportation electrification plan. When

178.1 reviewing a transportation electrification plan, the commission must consider whether the
178.2 programs, investments, and expenditures as a whole are reasonable and in the public interest,
178.3 and are reasonably expected to:

178.4 (1) improve the operation of the electric grid;

178.5 (2) increase access to the use of electricity as a transportation fuel for all customers,
178.6 including those in low- or moderate-income communities, rural communities, and
178.7 communities most affected by emissions from the transportation sector;

178.8 (3) increase access to publicly available electric vehicle charging and destination charging
178.9 for all types of electric vehicles;

178.10 (4) support the electrification of medium-duty and heavy-duty vehicles and associated
178.11 charging infrastructure;

178.12 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and
178.13 emissions of other air pollutants that impair the environment and public health;

178.14 (6) stimulate nonutility investment and the creation of skilled jobs;

178.15 (7) maximize the overall benefits of electric vehicles and other electrified transportation
178.16 investments while minimizing overall costs;

178.17 (8) educate the public about the benefits of electric vehicles and related infrastructure;

178.18 (9) be transparent and incorporate reasonable public reporting of program activities,
178.19 consistent with existing technology and data capabilities, to inform program design and
178.20 commission policy with respect to electric vehicles;

178.21 (10) reasonably balance the benefits of ratepayer-funded investments in transportation
178.22 electrification against impacts on utility rates; and

178.23 (11) appropriately balance the participation of public utilities and private enterprise in
178.24 the market for transportation electrification and related services.

178.25 Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the
178.26 commission may approve, with respect to any prudent and reasonable investments made or
178.27 expenses incurred by a public utility to administer and implement a transportation
178.28 electrification plan approved under subdivision 3:

178.29 (1) performance-based incentives or penalties;

178.30 (2) placing the capital investment in the public utility's rate base and allowing the public
178.31 utility to earn a rate of return on the investment at:

179.1 (i) the public utility's average weighted cost of capital, including the rate of return on
179.2 equity, approved by the commission in the public utility's most recent general rate case; or

179.3 (ii) another rate determined by the commission; or

179.4 (3) any other recovery mechanism that the commission determines is fair, reasonable,
179.5 and supports the objectives of this section.

179.6 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the
179.7 commission must approve recovery costs for expenses reasonably incurred by a public
179.8 utility to provide public advertisement as part of a transportation electrification plan approved
179.9 by the commission under subdivision 3.

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

179.11 Sec. 15. **[216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

179.14 (b) "Battery exchange station" means a physical location deploying equipment that
179.15 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
179.16 vehicle battery.

179.17 (c) "Electric school bus" means a passenger motor vehicle:

179.18 (1) primarily used to transport preprimary, primary, and secondary students;

179.19 (2) designed to carry a driver and more than ten passengers; and

179.20 (3) whose primary propulsion and accessory power technologies produce zero carbon
179.21 emissions in day-to-day operations.

179.22 (d) "Electric utility" means a public utility or a consumer-owned utility, as defined in
179.23 section 216B.2402, subdivision 2.

179.24 (e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

179.25 (f) "Electric vehicle charging station" means a physical location deploying equipment
179.26 that provides electricity to charge a battery in an electric vehicle.

179.27 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any
179.28 associated electric panels, machinery, equipment, and infrastructure necessary for an electric
179.29 utility to supply electricity or hydrogen to an electric vehicle charging station and to support
179.30 electric vehicle operation.

180.1 (h) "Electric vehicle service provider" means an organization that installs, maintains, or
180.2 otherwise services a battery exchange station, electric vehicle infrastructure, or electric
180.3 vehicle charging station.

180.4 (i) "Poor air quality" means:

180.5 (1) ambient air levels that air monitoring data reveals approach or exceed state or federal
180.6 air quality standards or chronic health inhalation risk benchmarks for total suspended
180.7 particulates, particulate matter less than ten microns wide (PM-10), particulate matter less
180.8 than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

180.9 (2) levels of asthma among children that significantly exceed the statewide average.

180.10 (j) "Prioritized school district" means:

180.11 (1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE)
180.12 School District Estimates as having 7.5 percent or more students living in poverty based on
180.13 the most recent decennial United States census;

180.14 (2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural:
180.15 Distant" by the National Center for Education Statistics (NCES); or

180.16 (3) a Bureau of Indian Affairs funded school district and a school district that receives
180.17 basic support payments under United States Code, title 20, section 7703(b)(1), for children
180.18 who reside on Indian land.

180.19 (k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

180.20 (l) "School" means a school that operates as part of an independent or special school
180.21 district.

180.22 (m) "School bus" has the meaning given in section 169.011, subdivision 71.

180.23 (n) "School district" means an independent or special school district.

180.24 (o) "Transportation service provider" means a transportation service provider that provides
180.25 student transportation services and that has a contract to provide transportation services to
180.26 a school.

180.27 Subd. 2. **Establishment; purpose.** An electric school bus deployment program is
180.28 established in the Department of Commerce. The purpose of the program is to provide grants
180.29 to accelerate the deployment of electric school buses by school districts and to encourage
180.30 schools to use vehicle electrification as a teaching tool that can be integrated into the school's
180.31 curriculum.

181.1 Subd. 3. **Establishment of account.** An electric school bus program account is established
181.2 in the special revenue fund. The account consists of money received provided by law,
181.3 donated, allotted, transferred, or otherwise provided to the account. Earnings including
181.4 interest, dividends, and any other earnings arising from assets of the account must be credited
181.5 to the account. Except as otherwise provided in this subdivision, money deposited in the
181.6 account remains in the account until June 30, 2027.

181.7 Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the
181.8 commissioner and must be used only:

181.9 (1) for grant awards made under this section; and

181.10 (2) to pay the reasonable costs incurred by the department to administer this section,
181.11 including the cost of providing technical assistance to school districts, electric utilities,
181.12 electric vehicle service providers, or transportation service providers, including but not
181.13 limited to grant writing assistance for applications for federal vehicle electrification programs.

181.14 (b) Grant awards made with funds in the account must be used only for:

181.15 (1) grants for the deployment of electric school buses by school districts; and

181.16 (2) reasonable costs related to technical assistance for electric school bus deployment
181.17 program planning and preparing applications for federal vehicle electrification programs.

181.18 Subd. 5. **Eligible programs.** (a) An electric school bus deployment grant may be awarded
181.19 to a school district, electric utility, electric vehicle service provider, or transportation service
181.20 provider under this section only if the electric school bus deployment program that is the
181.21 subject of the grant includes but is not limited to the following elements:

181.22 (1) a school district or transportation service provider may (i) purchase one or more
181.23 electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be
181.24 electric;

181.25 (2) the grant may be used for up to 75 percent of the cost the school district or
181.26 transportation service provider incurs to (i) purchase one or more electric school buses, or
181.27 (ii) convert or repower fossil-fuel-powered school buses to be electric;

181.28 (3) for prioritized school districts, the grant may be used for up to 95 percent of the cost
181.29 the school district or transportation service provider incurs to (i) purchase one or more
181.30 electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be
181.31 electric;

182.1 (4) the grant may be used for up to 75 percent of the cost of deploying on the school
182.2 district or transportation service provider's real property infrastructure required to operate
182.3 electric school buses, including but not limited to battery exchange stations, electric vehicle
182.4 infrastructure, or electric vehicle charging stations;

182.5 (5) for prioritized school districts, the grant may be used for up to 95 percent of the cost
182.6 of deploying on the school district or transportation service provider's real property
182.7 infrastructure required to operate electric school buses, including but not limited to battery
182.8 exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

182.9 (6) at the request of a school district or transportation service provider, an electric utility
182.10 may deploy on the school district or transportation service provider's real property electric
182.11 vehicle infrastructure required to operate electric school buses; and

182.12 (7) the school district prioritizes the deployment of electric school buses in areas of the
182.13 school district that serve disadvantaged students, disproportionately experience poor air
182.14 quality, or are environmental justice areas as defined in section 216B.1691, subdivision 1,
182.15 paragraph (e).

182.16 (b) A technical assistance grant may be awarded to a school district, electric utility,
182.17 electric vehicle service provider, or transportation service provider under this section for
182.18 the reasonable costs related to electric school bus deployment program planning and for
182.19 preparing applications for federal vehicle electrification programs.

182.20 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
182.21 to school districts, electric utilities, electric vehicle service providers, and transportation
182.22 service providers that may wish to apply for an electric bus deployment or technical assistance
182.23 grant under this section on behalf of a school.

182.24 (b) A school district, electric utility, electric vehicle service provider, or transportation
182.25 service provider must submit an application for an electric school bus deployment grant to
182.26 the commissioner on behalf of a school district on a form prescribed by the commissioner.
182.27 The form must include, at a minimum, the following information:

182.28 (1) the number of and description of the electric school buses the school district or
182.29 transportation service provider intends to purchase;

182.30 (2) the total cost to purchase the electric school buses and the incremental cost, if any,
182.31 of the electric school buses when compared with fossil-fuel-powered school buses;

182.32 (3) a copy of the proposed contract agreement between the school district, the electric
182.33 utility, the electric vehicle service provider, or the transportation service provider that

- 183.1 includes provisions addressing responsibility for maintenance of the electric school buses
183.2 and the infrastructure required to operate electric school buses, including but not limited to
183.3 battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;
- 183.4 (4) whether the school district is also a prioritized school district;
- 183.5 (5) the areas of the school district that (i) serve disadvantaged students; (ii)
183.6 disproportionately experience poor air quality, as measured by indicators such as the
183.7 Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota
183.8 Department of Health's air quality and health monitoring, or any other indicators applicants
183.9 choose to include; or (iii) are environmental justice areas as defined in section 216B.1691,
183.10 subdivision 1, paragraph (e);
- 183.11 (6) the school district's plan, if any, to make the electric school buses serve as a visible
183.12 learning tool for students, teachers, and visitors to the school, including how vehicle
183.13 electrification may be integrated into the school district's curriculum;
- 183.14 (7) information that demonstrates the school district's level of need for financial assistance
183.15 available under this section;
- 183.16 (8) information that demonstrates the school district's readiness to implement the project
183.17 and to operate the electric school buses for no less than five years;
- 183.18 (9) with respect to the installation and operation of the infrastructure required to operate
183.19 electric school buses, the willingness and ability of the electric vehicle service provider or
183.20 the electric utility to:
- 183.21 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
183.22 subdivision 6; and
- 183.23 (ii) adhere to the provisions of section 177.43; and
- 183.24 (10) any other information deemed relevant by the commissioner.
- 183.25 (c) A school district, electric utility, electric vehicle service provider, or transportation
183.26 service provider must submit an application for a technical assistance grant to the
183.27 commissioner on behalf of a school district on a form prescribed by the commissioner. The
183.28 form must include, at a minimum, the following information:
- 183.29 (1) the name of the federal programs to which the applicants intend to apply;
- 183.30 (2) a description of the technical assistance the applicants need in order to complete the
183.31 federal application; and
- 183.32 (3) any other information deemed relevant by the commissioner.

184.1 (d) The commissioner shall prioritize making grant awards to prioritized school districts.
184.2 On an annual basis, when prioritized school districts have applied for a grant, the
184.3 commissioner shall have as a goal awarding no less than 40 percent of the state's total grant
184.4 award amount to prioritized school districts.

184.5 (e) The commissioner must administer an open application process under this section
184.6 at least twice annually.

184.7 (f) The commissioner must develop administrative procedures governing the application
184.8 and grant award process.

184.9 Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to
184.10 school districts to develop and execute projects under this section.

184.11 Subd. 8. **Grant payments.** The commissioner must award a grant from the account
184.12 established under subdivision 3 to a school district, the electric utility, electric vehicle service
184.13 provider, or transportation service provider for necessary costs associated with deployment
184.14 of electric buses. The amount of the grant must be based on the commissioner's assessment
184.15 of the school district's need for financial assistance. For each award, the amount of the grant,
184.16 in combination with any federal vehicle electrification program awards to the school district,
184.17 the electric utility, the electric vehicle service provider, or the transportation service provider,
184.18 shall not exceed the cost of the applicant's proposed electric school buses, electric vehicle
184.19 charging stations, and electric vehicle infrastructure.

184.20 Subd. 9. **Application deadline.** No application may be submitted under this section
184.21 after December 31, 2032.

184.22 Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
184.23 15, 2034, the commissioner must report to the chairs and ranking minority members of the
184.24 legislative committees with jurisdiction over energy regarding: (1) grants and amounts
184.25 awarded to school districts under this section during the previous year; and (2) any remaining
184.26 balances available under this section.

184.27 Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public
184.28 utility on electric vehicle infrastructure installed on a school district's real property may be
184.29 placed in the public utility's rate base and earn a rate of return, as determined by the
184.30 commission.

184.31 (b) Notwithstanding any other provision of this chapter, the commission may approve
184.32 a tariff mechanism to automatically adjust annual charges for prudent and reasonable

185.1 investments made by a public utility on electric vehicle infrastructure installed on a school
185.2 district's real property.

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

185.4 Sec. 16. Minnesota Statutes 2022, section 216B.1641, is amended to read:

185.5 **216B.1641 COMMUNITY SOLAR GARDEN.**

185.6 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
185.7 subdivision have the meanings given.

185.8 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

185.9 (c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

185.10 (d) "Subscriber" means a retail customer who contracts for one or more subscriptions
185.11 for a community solar garden interconnected with the retail customer's utility.

185.12 (e) "Subscription" means a contract between a subscriber and the owner of a community
185.13 solar garden.

185.14 Subd. 2. **Solar garden program.** (a) The public utility subject to section 116C.779 shall
185.15 file by September 30, 2013, a plan with the commission to operate a community solar garden
185.16 program which shall begin operations within 90 days after commission approval of the plan.
185.17 Other public utilities may file an application at their election. The community solar garden
185.18 program must be designed to offset the energy use of not less than five subscribers in each
185.19 community solar garden facility of which no single subscriber has more than a 40 percent
185.20 interest. The owner of the community solar garden may be a public utility or any other entity
185.21 or organization that contracts to sell the output from the community solar garden to the
185.22 utility under section 216B.164. There shall be no limitation on the number or cumulative
185.23 generating capacity of community solar garden facilities other than the limitations imposed
185.24 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

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

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

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

186.10 **Subd. 3. Solar garden plan requirements.** ~~(e)~~ (a) The commission may approve,
186.11 disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the
186.12 commission must:

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

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

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

186.20 (4) be consistent with the public interest;

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

186.23 (6) include a program implementation schedule;

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

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

186.26 (9) require that participation by a subscriber must be strictly voluntary;

186.27 (10) prohibit a landlord from removing a residential tenant who is an existing retail
186.28 customer of the public utility from the utility account and subscribing to a community solar
186.29 garden on behalf of the tenant;

186.30 (11) ensure that contract terms are publicly available; and

186.31 (12) allow subscribers to stop subscribing without charging a fee or other penalty.

187.1 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
 187.2 community solar garden facility shall be considered a utility solely as a result of their
 187.3 participation in the community solar garden facility.

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

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

187.9 (1) ~~"subscriber" means a retail customer of a utility who owns one or more subscriptions~~
 187.10 ~~of a community solar garden facility intereconnected with that utility; and~~

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

187.12 Subd. 4. **Low-income community solar gardens.** (a) The public utility subject to section
 187.13 116C.779 must file by September 30, 2023, a plan with the commission to operate a
 187.14 low-income community solar garden program in accordance with this subdivision, and must
 187.15 begin operations within 90 days after commission approval of the plan. The program operated
 187.16 under this subdivision:

187.17 (1) is subject to the other requirements of this section except as modified by this
 187.18 subdivision;

187.19 (2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

187.20 (3) must provide that renewable energy credits generated under the program are retained
 187.21 by the public utility; and

187.22 (4) must require the utility to purchase all energy generated by a low-income community
 187.23 solar garden. A subscriber's portion of the purchase shall be provided by a credit on the
 187.24 subscriber's bill at the average retail utility energy rate for the appropriate customer class.

187.25 (b) The owner of a solar project must apply to the utility to be designated as a low-income
 187.26 community solar garden before it is eligible to participate in the program. The utility must
 187.27 not designate a project a low-income community solar garden unless it is majority owned
 187.28 by a cooperative association, nonprofit organization, or federally recognized Indian Tribe.
 187.29 The utility may designate a project as a low-income community solar garden if the owner
 187.30 of the solar garden demonstrates it will meet the following conditions:

187.31 (1) the solar generation facilities of the solar garden meet the requirements of subdivision
 187.32 2, paragraph (b), except as modified by this paragraph;

- 188.1 (2) at least 25 percent of the solar garden's generating capacity is subscribed by residential
188.2 customers whose household income:
- 188.3 (i) is 80 percent or less of the area median household income for the geographic area in
188.4 which the low-income household is located, as calculated by the federal Department of
188.5 Housing and Urban Development; or
- 188.6 (ii) meets the income eligibility standards, as determined by the commission, required
188.7 for a household to receive financial assistance from a federal, state, municipal, or utility
188.8 program administered or approved by the commission;
- 188.9 (3) eligible nonresidential subscribers consist of only the following, located on census
188.10 tracts designated as low- or moderate-income by the federal Financial Institutions
188.11 Examination Council:
- 188.12 (i) grocery stores;
- 188.13 (ii) clinics;
- 188.14 (iii) child care centers;
- 188.15 (iv) food shelves;
- 188.16 (v) libraries;
- 188.17 (vi) Tribal Nations;
- 188.18 (vii) shelters;
- 188.19 (viii) schools that are not enrolled in any other solar incentive program; or
- 188.20 (ix) houses of worship;
- 188.21 (4) the owner does not run credit score or credit history checks on residential subscribers;
- 188.22 (5) the solar garden has a nameplate capacity of no more than three megawatts alternating
188.23 current;
- 188.24 (6) the solar garden has no fewer than three subscribers and no subscriber accounts for
188.25 more than 40 percent of the solar garden's capacity;
- 188.26 (7) the solar garden is operated by an entity that maintains a physical address in Minnesota
188.27 and has designated a contact person in Minnesota who responds to subscriber inquiries; and
- 188.28 (8) the agreement between the owner of the solar garden and subscribers states that the
188.29 owner must adequately publicize and convene at least one in-person meeting annually to
188.30 provide an opportunity for subscribers to pose questions to the manager or owner.

189.1 Subd. 5. **New solar gardens must be low-income community solar gardens.** For
 189.2 applications submitted after August 1, 2023, the public utility subject to section 116C.779
 189.3 must not approve interconnection of new solar gardens or renew existing solar gardens for
 189.4 inclusion in the community solar garden program unless the solar garden is accepted for
 189.5 inclusion in the low-income community solar garden program under subdivision 4.

189.6 Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income
 189.7 community solar garden must include the following information in an annual report to the
 189.8 low-income community solar garden subscribers and the utility:

189.9 (1) a description of the process by which subscribers may provide input regarding solar
 189.10 garden policy and decision making;

189.11 (2) the amount of revenues received by the solar garden in the previous year that were
 189.12 allocated to categories that include but are not limited to operating costs, debt service, profits
 189.13 distributed to subscribers, and profits distributed to others;

189.14 (3) minutes from the most recent annual meeting; and

189.15 (4) the proportion of low- and moderate-income subscribers, and a description of how
 189.16 the information was collected from subscribers and verified.

189.17 Subd. 7. **Noncompliance.** A low-income community solar garden that has begun
 189.18 commercial operation must notify the commission in writing within 30 days if the solar
 189.19 garden is not in compliance with subdivision 4, and must comply within 12 months or the
 189.20 commission must revoke the solar garden's participation in the program. Nothing in this
 189.21 subdivision prevents an owner from reapplying to participate in the program after revocation.

189.22 Sec. 17. Minnesota Statutes 2022, section 216B.1645, subdivision 4, is amended to read:

189.23 Subd. 4. ~~Settlement with Mdewakanton Dakota Tribal Council at~~ **Payments to the**
 189.24 **Prairie Island Indian Community.** (a) The commission shall approve a rate schedule
 189.25 providing for the automatic adjustment of charges to recover the costs or expenses of a
 189.26 settlement between the public utility that owns the Prairie Island nuclear generation facility
 189.27 and the ~~Mdewakanton Dakota Tribal Council~~ Prairie Island Indian Community at Prairie
 189.28 Island, resolving outstanding disputes regarding the provisions of Laws 1994, chapter 641,
 189.29 article 1, section 4. The settlement must provide for annual payments, not to exceed
 189.30 \$2,500,000 annually, by the public utility to the Prairie Island Indian Community, to be
 189.31 used for, among other purposes, acquiring ~~up to 1,500 contiguous or noncontiguous acres~~
 189.32 ~~of land in Minnesota within 50 miles of the tribal community's reservation at Prairie Island~~
 189.33 to be taken into trust by the federal government for the benefit of the tribal community for

190.1 housing and other residential purposes. The legislature acknowledges that the intent to
190.2 purchase land by the tribe for relocation purposes is part of the settlement agreement and
190.3 Laws 2003, First Special Session chapter 11. However, the state, through the governor,
190.4 reserves the right to support or oppose any particular application to place land in trust status.

190.5 (b) In addition to other payments provided under this section, the commission shall
190.6 approve a rate schedule providing for the automatic adjustment of charges to recover
190.7 payments under this paragraph. The public utility that owns the Prairie Island nuclear
190.8 generation facility must make annual payments to the Prairie Island Indian Community for
190.9 each dry cask or container containing spent fuel that is located at the Prairie Island power
190.10 plant for as long as the dry casks containing spent fuel are stored at the Prairie Island
190.11 Independent Spent Fuel Storage Installation. The payment per dry cask required under this
190.12 section is \$50,000 for each dry cask or container.

190.13 (c) In addition to other payments provided under this section, the commission shall
190.14 approve a rate schedule providing for the automatic adjustment of charges to recover
190.15 payments under this paragraph. The public utility that owns the Prairie Island nuclear
190.16 generation facility must make an annual lump sum payment to the Prairie Island Indian
190.17 Community in the amount of \$7,500,000 for each year the plant is in licensed operation.

190.18 (d) Paragraphs (b) and (c) apply only if the public utility that owns the Prairie Island
190.19 nuclear generation facility enters into a new or amended settlement agreement with the
190.20 Prairie Island Indian Community after the effective date of this section that resolves
190.21 outstanding disputes regarding the extended operation of the Prairie Island nuclear generation
190.22 facility. Payments required under those paragraphs are required only if and to the extent
190.23 that they are required under the terms of the settlement. Payments made under this subdivision
190.24 may be used by the Prairie Island Indian Community for any purpose benefitting the Prairie
190.25 Island Indian Community.

190.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

190.27 Sec. 18. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision
190.28 to read:

190.29 Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements
190.30 of this section, for the public utility subject to section 116C.779, at least three percent of
190.31 the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be
190.32 generated by solar photovoltaic devices:

191.1 (1) with a nameplate capacity of ten megawatts or less connected to the utility's
 191.2 distribution system;

191.3 (2) that are located in the service territory of the public utility; and

191.4 (3) that were constructed or procured after August 1, 2023.

191.5 (b) Generation with a nameplate capacity of 100 kilowatts or more does not count toward
 191.6 compliance with the standard established in this subdivision unless the public utility verifies
 191.7 that construction trades workers who constructed the generation resource were all paid no
 191.8 less than the prevailing wage rate, as defined in section 177.42.

191.9 (c) The public utility subject to section 116C.779 may own no more than 30 percent of
 191.10 the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

191.11 (d) Compensation for solar photovoltaic projects procured to satisfy the standard
 191.12 established in this subdivision must be determined based on a competitive procurement
 191.13 process and standard contracts approved by the commission.

191.14 (e) After January 1, 2031, the commission may use the authority in subdivision 2b to
 191.15 increase or decrease the standard obligation established in paragraph (a). Prior to that date,
 191.16 the commission may modify or delay the implementation of that standard obligation, in
 191.17 whole or in part, in accordance with subdivision 2b.

191.18 (f) An integrated distribution plan filed by a utility subject to this subdivision must
 191.19 describe investments in the distribution grid that facilitate the interconnection of sufficient
 191.20 distribution-connected solar energy to fulfill the requirements of this subdivision.

191.21 Sec. 19. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

191.22 Subdivision 1. **Investigation.** On ~~its~~ the commission's own motion or upon a complaint
 191.23 made against any public utility; by the governing body of any political subdivision, by
 191.24 another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility,
 191.25 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or
 191.26 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting
 191.27 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity
 191.28 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly
 191.29 discriminatory, or that any service is inadequate or cannot be obtained, the commission
 191.30 shall proceed, with notice, to make such investigation as it may deem necessary. The
 191.31 commission may dismiss any complaint without a hearing if in its opinion a hearing is not
 191.32 in the public interest.

192.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
192.2 applies to any complaint filed with the commission on or after that date.

192.3 Sec. 20. **[216B.172] CONSUMER DISPUTES.**

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

192.6 (b) "Appeal" means a request a complainant files with the commission to review and
192.7 make a final decision regarding the resolution of the complainant's complaint by the consumer
192.8 affairs office.

192.9 (c) "Complainant" means an individual residential customer who files with the consumer
192.10 affairs office a complaint against a public utility.

192.11 (d) "Complaint" means an allegation submitted to the consumer affairs office by a
192.12 complainant that a public utility's action or practice regarding billing or terms and conditions
192.13 of service:

192.14 (1) violates a statute, rule, tariff, service contract, or other provision of law;

192.15 (2) is unreasonable; or

192.16 (3) has harmed or, if not addressed, harms a complainant.

192.17 Complaint does not include an objection to or a request to modify any natural gas or
192.18 electricity rate contained in a tariff that has been approved by the commission. A complaint
192.19 under this section is an informal complaint under Minnesota Rules, chapter 7829.

192.20 (e) "Consumer affairs office" means the staff unit of the commission that is organized
192.21 to receive and respond to complaints.

192.22 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,
192.23 subpart 8.

192.24 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

192.25 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

192.26 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve
192.27 a dispute with a public utility by filing a complaint with the consumer affairs office. The
192.28 consumer affairs office must: (1) notify the complainant of the resolution of the complaint;
192.29 and (2) provide written notice of (i) the complainant's right to appeal the resolution to the
192.30 commission, and (ii) the steps the complainant may take to appeal the resolution. Upon
192.31 request, the consumer affairs office must provide to the complainant a written notice

193.1 containing the substance of and basis for the resolution. Nothing in this section affects any
193.2 other rights existing under this chapter or other law.

193.3 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with
193.4 the resolution of a complaint by the consumer affairs office, the complainant may file an
193.5 appeal with the commission requesting that the commission make a final decision on the
193.6 complaint. The commission's response to an appeal filed under this subdivision must comply
193.7 with the notice requirements under section 216B.17, subdivisions 2 to 5.

193.8 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of
193.9 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to
193.10 review the resolution of the complaint must decide whether the complaint be:

193.11 (1) dismissed because there is no reasonable basis on which to proceed;

193.12 (2) resolved through an informal commission proceeding; or

193.13 (3) referred to the Office of Administrative Hearings for a contested case proceeding
193.14 under chapter 14.

193.15 A decision made under this paragraph must be provided in writing to the complainant and
193.16 the public utility.

193.17 (c) If the commission decides that the complaint be resolved through an informal
193.18 proceeding before the commission or referred to the Office of Administrative Hearings for
193.19 a contested case proceeding, the executive secretary must issue any procedural schedules,
193.20 notices, or orders required to initiate an informal proceeding or a contested case.

193.21 (d) The commission's dismissal of an appeal request or a decision rendered after
193.22 conducting an informal proceeding is a final decision constituting an order or determination
193.23 of the commission.

193.24 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek
193.25 judicial review in district court of an adverse final decision under subdivision 3, paragraph
193.26 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred
193.27 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

193.28 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue
193.29 or promptly restore service to a complainant during the pendency of an administrative or
193.30 judicial procedure pursued by a complainant under this section, provided that the
193.31 complainant:

193.32 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

194.1 (2) posts the full disputed payment in escrow;

194.2 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

194.3 (4) demonstrates the complainant's household income is at or below 50 percent of the
 194.4 median income in Minnesota.

194.5 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the
 194.6 purposes of this section.

194.7 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 194.8 applies to any complaint filed with the commission on or after that date.

194.9 Sec. 21. Minnesota Statutes 2022, section 216B.2422, subdivision 2, is amended to read:

194.10 Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with
 194.11 the commission periodically in accordance with rules adopted by the commission. The
 194.12 commission shall approve, reject, or modify the plan of a public utility, as defined in section
 194.13 216B.02, subdivision 4, consistent with the public interest.

194.14 (b) In the resource plan proceedings of all other utilities, the commission's order shall
 194.15 be advisory and the order's findings and conclusions shall constitute prima facie evidence
 194.16 which may be rebutted by substantial evidence in all other proceedings. With respect to
 194.17 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
 194.18 consider the filing requirements and decisions in any comparable proceedings in another
 194.19 jurisdiction.

194.20 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
 194.21 meeting 50 and 75 percent of all energy needs from both new and refurbished generating
 194.22 facilities through a combination of conservation and renewable energy resources.

194.23 (d) A public utility must include distributed energy resources among the options
 194.24 considered in the public utility's resource plan filing.

194.25 Sec. 22. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

194.26 Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition
 194.27 to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000
 194.28 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct
 194.29 analysis that assesses energy grid reliability at state, regional, and national levels. The
 194.30 amount in this subdivision shall be assessed to energy utilities in proportion to their respective
 194.31 gross operating revenues from retail sales of gas or electric service within the state during

195.1 the last calendar year and shall be deposited into an account in the special revenue fund and
 195.2 is appropriated to the commissioner of commerce for the purposes of section 216A.07,
 195.3 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
 195.4 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
 195.5 an "energy utility" means public utilities, generation and transmission cooperative electric
 195.6 associations, and municipal power agencies providing natural gas or electric service in the
 195.7 state.

195.8 ~~(b) By February 1, 2023, the commissioner of commerce must submit a written report~~
 195.9 ~~to the chairs and ranking minority members of the legislative committees with primary~~
 195.10 ~~jurisdiction over energy policy. The report must describe how the department has used~~
 195.11 ~~utility grid assessment funding under paragraph (a) and must explain the impact the grid~~
 195.12 ~~assessment funding has had on grid reliability in Minnesota.~~

195.13 ~~(e) This subdivision expires June 30, 2023.~~

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

195.15 Sec. 23. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

195.18 (b) "Participant" means a person who files comments or appears in a commission
 195.19 proceeding concerning one or more public utilities, excluding public hearings held in
 195.20 contested cases and commission proceedings conducted to receive general public comments.

195.21 (c) "Party" means a person by or against whom a proceeding before the commission is
 195.22 commenced or a person permitted to intervene in a proceeding, other than public hearings,
 195.23 concerning one or more public utilities.

195.24 (d) "Proceeding" means:

195.25 (1) a rate change proceeding under section 216B.16, including a request to withdraw,
 195.26 defer, or modify a petition to change rates;

195.27 (2) a proceeding in which the commission considers a utility request for cost recovery
 195.28 through general rates or riders;

195.29 (3) a proceeding in which the commission considers a determination related to ratepayer
 195.30 protections, service quality, or disconnection policies and practices, including but not limited
 195.31 to utility compliance with the requirements of sections 216B.091 to 216B.0993;

196.1 (4) a proceeding in which the commission considers determinations directly related to
 196.2 low-income affordability programs, including but not limited to utility compliance with the
 196.3 requirements of section 216B.16, subdivisions 14, 15, and 19, paragraph (a), clause (3);

196.4 (5) a proceeding related to the design or approval of utility tariffs or rates;

196.5 (6) a proceeding related to utility performance measures or incentives, including but not
 196.6 limited to proceedings under sections 216B.16, subdivision 19, paragraph (h), 216B.167,
 196.7 and 216B.1675;

196.8 (7) proceedings related to distribution system planning and grid modernization, including
 196.9 but not limited to proceedings in compliance with the requirements in section 216B.2425,
 196.10 subdivision 2, paragraph (e);

196.11 (8) investigations or inquiries initiated by the commission or the Department of
 196.12 Commerce; or

196.13 (9) proceedings related to utility pilot programs in which the commission considers a
 196.14 proposal with a proposed cost of at least \$5,000,000.

196.15 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

196.16 Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive
 196.17 compensation under this section:

196.18 (1) a nonprofit organization that:

196.19 (i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

196.20 (ii) is incorporated or organized in Minnesota;

196.21 (iii) is governed under chapter 317A or section 322C.1101; and

196.22 (iv) the commission determines under subdivision 3, paragraph (c), would suffer financial
 196.23 hardship if not compensated for the nonprofit organization's participation in the applicable
 196.24 proceeding; or

196.25 (2) a Tribal government of a federally recognized Indian Tribe that is located in
 196.26 Minnesota.

196.27 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to
 196.28 compensate all or part of a participant's reasonable costs incurred to participate in a
 196.29 proceeding before the commission if the participant is eligible under subdivision 2 and the
 196.30 commission finds:

196.31 (1) that the participant has materially assisted the commission's deliberation; and

197.1 (2) if the participant is a nonprofit organization, that the participant would suffer financial
197.2 hardship if the nonprofit organization's participation in the proceeding was not compensated.

197.3 (b) In determining whether a participant has materially assisted the commission's
197.4 deliberation, the commission must find that:

197.5 (1) the participant made a unique contribution to the record and represented an interest
197.6 that would not otherwise have been adequately represented;

197.7 (2) the evidence or arguments presented or the positions taken by the participant were
197.8 an important factor in producing a fair decision;

197.9 (3) the participant's position promoted a public purpose or policy;

197.10 (4) the evidence presented, arguments made, issues raised, or positions taken by the
197.11 participant would not otherwise have been part of the record;

197.12 (5) the participant was active in any stakeholder process included in the proceeding; and

197.13 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a
197.14 position advocated by the participant.

197.15 (c) In determining whether a nonprofit participant has demonstrated that a lack of
197.16 compensation would present financial hardship, the commission must find that the nonprofit
197.17 participant:

197.18 (1) had an average annual payroll expense less than \$600,000 for participation in
197.19 commission proceedings over the previous three years; and

197.20 (2) has fewer than 30 full-time equivalent employees.

197.21 (d) In reviewing a compensation request, the commission must consider whether the
197.22 costs presented in the participant's claim are reasonable. If the commission determines that
197.23 an eligible participant materially assisted the commission's deliberation, the commission
197.24 may award all or part of the requested compensation, up to the maximum amounts provided
197.25 under subdivision 4.

197.26 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$35,000 for a
197.27 single participant in any proceeding, except that:

197.28 (1) if a proceeding extends longer than 12 months, a participant may request and be
197.29 awarded compensation of up to \$35,000 for costs incurred in each calendar year; and

197.30 (2) in a proceeding that has been referred to the Office of Administrative Hearings for
197.31 a contested case proceeding, a participant may request and be awarded up to \$75,000.

198.1 (b) No single participant may be awarded more than \$175,000 under this section in a
198.2 single calendar year.

198.3 (c) Total compensation awarded to all participants must not exceed \$125,000 in any
198.4 single proceeding per-calendar year, excluding proceedings that have been referred to the
198.5 Office of Administrative Hearings for contested case proceedings.

198.6 (d) Compensation requests from joint participants must be presented as a single request.

198.7 (e) Notwithstanding paragraphs (a), (b), and (c), the commission must not, in any calendar
198.8 year, require a single public utility to pay aggregate compensation under this section that
198.9 exceeds the following amounts:

198.10 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue
198.11 in Minnesota;

198.12 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000
198.13 annual gross operating revenue in Minnesota;

198.14 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000
198.15 annual gross operating revenue in Minnesota; and

198.16 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating
198.17 revenue in Minnesota.

198.18 (f) When requests for compensation from any public utility approach the limits established
198.19 in paragraphs (c) or (e), the commission may give priority to requests from participants that
198.20 received less than \$150,000 in total compensation during the previous two years and from
198.21 participants who represent residential ratepayers, particularly those residential ratepayers
198.22 who the participant can demonstrate have been underrepresented in past commission
198.23 proceedings.

198.24 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a
198.25 request and an affidavit of service with the commission, and serve a copy of the request on
198.26 each party to the proceeding. The request must be filed no more than 30 days after the later
198.27 of:

198.28 (1) the expiration of the period within which a petition for rehearing, amendment,
198.29 vacation, reconsideration, or reargument must be filed; or

198.30 (2) the date the commission issues an order following rehearing, amendment, vacation,
198.31 reconsideration, or reargument.

198.32 (b) A compensation request must include:

- 199.1 (1) the name and address of the participant or nonprofit organization the participant is
199.2 representing;
- 199.3 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;
- 199.4 (3) the name and docket number of the proceeding for which compensation is requested;
- 199.5 (4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility
199.6 for compensation under the financial hardship test under subdivision 3, paragraph (c);
- 199.7 (5) amounts of compensation awarded to the participant under this section during the
199.8 current year and any pending requests for compensation, itemized by docket;
- 199.9 (6) an itemization of the participant's costs, not including overhead costs;
- 199.10 (7) participant revenues dedicated for the proceeding;
- 199.11 (8) the total compensation request; and
- 199.12 (9) a narrative describing the unique contribution made to the proceeding by the
199.13 participant.
- 199.14 (c) A participant must comply with reasonable requests for information by the commission
199.15 and other parties or participants. A participant must reply to information requests within
199.16 ten calendar days of the date the request is received, unless doing so would place an extreme
199.17 hardship upon the replying participant. The replying participant must provide a copy of the
199.18 information to any other participant or interested person upon request. Disputes regarding
199.19 information requests may be resolved by the commission.
- 199.20 (d) A party or participant objecting to a request for compensation must, within 30 days
199.21 after service of the request for compensation, file a response and an affidavit of service with
199.22 the commission. A copy of the response must be served on the requesting participant and
199.23 all other parties to the proceeding.
- 199.24 (e) The requesting participant may file a reply with the commission within 15 days after
199.25 a response is filed under paragraph (d). A copy of the reply and an affidavit of service must
199.26 be served on all other parties to the proceeding.
- 199.27 (f) If additional costs are incurred by a participant as a result of additional proceedings
199.28 following the commission's initial order, the participant may file an amended request within
199.29 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an
199.30 amended request.
- 199.31 (g) The commission must issue a decision on participant compensation within 120 days
199.32 of the date a request for compensation is filed by a participant.

200.1 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to
200.2 30 days upon the request of a participant or on the commission's own initiative.

200.3 (i) A participant may request reconsideration of the commission's compensation decision
200.4 within 30 days of the decision date.

200.5 Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment
200.6 of participant compensation, the public utility that was the subject of the proceeding must
200.7 pay the full compensation to the participant and file proof of payment with the commission
200.8 within 30 days after the later of:

200.9 (1) the expiration of the period within which a petition for reconsideration of the
200.10 commission's compensation decision must be filed; or

200.11 (2) the date the commission issues an order following reconsideration of the commission's
200.12 order on participant compensation.

200.13 (b) If the commission issues an order requiring payment of participant compensation in
200.14 a proceeding involving multiple public utilities, the commission must apportion costs among
200.15 the public utilities in proportion to each public utility's annual revenue.

200.16 (c) The commission may issue orders necessary to allow a public utility to recover the
200.17 costs of participant compensation on a timely basis.

200.18 Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking
200.19 minority members of the senate and house of representatives committees with primary
200.20 jurisdiction over energy policy on the operation of this section. The report must include but
200.21 is not limited to:

200.22 (1) the amount of compensation paid each year by each utility;

200.23 (2) each recipient of compensation, the commission dockets in which compensation was
200.24 awarded, and the compensation amounts; and

200.25 (3) the impact of the participation of compensated participants.

200.26 Subd. 8. **Sunset.** This section expires on July 1, 2028.

200.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and
200.28 applies to any proceeding in which the commission has not issued a final order as of that
200.29 date.

200.30 Sec. 24. Minnesota Statutes 2022, section 216C.02, subdivision 1, is amended to read:

200.31 Subdivision 1. **Powers.** (a) The commissioner may:

201.1 (1) apply for, receive, and spend money received from federal, municipal, county,
201.2 regional, and other government agencies and private sources;

201.3 (2) apply for, accept, and disburse grants and other aids from public and private sources;

201.4 (3) contract for professional services if work or services required or authorized to be
201.5 carried out by the commissioner cannot be satisfactorily performed by employees of the
201.6 department or by another state agency;

201.7 (4) enter into interstate compacts to carry out research and planning jointly with other
201.8 states or the federal government when appropriate;

201.9 (5) upon reasonable request, distribute informational material at no cost to the public;
201.10 and

201.11 (6) enter into contracts for the performance of the commissioner's duties with federal,
201.12 state, regional, metropolitan, local, and other agencies or units of government and educational
201.13 institutions, including the University of Minnesota, without regard to the competitive bidding
201.14 requirements of chapters 16A and 16C.

201.15 (b) The commissioner shall collect information on conservation and other energy-related
201.16 programs carried on by other agencies, by public utilities, by cooperative electric associations,
201.17 by municipal power agencies, by other fuel suppliers, by political subdivisions, and by
201.18 private organizations. Other agencies, cooperative electric associations, municipal power
201.19 agencies, and political subdivisions shall cooperate with the commissioner by providing
201.20 information requested by the commissioner. The commissioner may by rule require the
201.21 submission of information by other program operators. The commissioner shall make the
201.22 information available to other agencies and to the public and, as necessary, shall recommend
201.23 to the legislature changes in the laws governing conservation and other energy-related
201.24 programs to ensure that:

201.25 (1) expenditures on the programs are adequate to meet identified needs;

201.26 (2) the needs of low-income energy users are being adequately addressed;

201.27 (3) duplication of effort is avoided or eliminated;

201.28 (4) a program that is ineffective is improved or eliminated; and

201.29 (5) voluntary efforts are encouraged through incentives for their operators.

201.30 (c) By January 15 of each year, the commissioner shall report to the legislature on the
201.31 projected amount of federal money likely to be available to the state during the next fiscal
201.32 year, including grant money and money received by the state as a result of litigation or

202.1 settlements of alleged violations of federal petroleum-pricing regulations. The report must
202.2 also estimate the amount of money projected as needed during the next fiscal year to finance
202.3 a level of conservation and other energy-related programs adequate to meet projected needs,
202.4 particularly the needs of low-income persons and households, and must recommend the
202.5 amount of state appropriations needed to cover the difference between the projected
202.6 availability of federal money and the projected needs.

202.7 (d) By January 15 of each year, the commissioner shall report to the chairs and ranking
202.8 minority members of the legislative committees with jurisdiction over energy finance the
202.9 following information for each account in the special revenue fund created in this chapter:

202.10 (1) the unobligated balance in the account from the most recent forecast listed separately
202.11 by funding source;

202.12 (2) all expenditures, including grants and administrative costs over the last two fiscal
202.13 years; and

202.14 (3) the date on which unobligated balances expire.

202.15 Sec. 25. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
202.16 to read:

202.17 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
202.18 meanings given.

202.19 (b) "Low-income conservation program" means a utility program that offers energy
202.20 conservation services to low-income households under sections 216B.2403, subdivision 5,
202.21 and 216B.241, subdivision 7.

202.22 (c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision
202.23 20.

202.24 (d) "Weatherization assistance program" means the federal program described in Code
202.25 of Federal Regulations, title 10, part 440, et seq., designed to assist low-income households
202.26 reduce energy use.

202.27 (e) "Weatherization assistance services" means the energy measures installed in
202.28 households under the weatherization assistance program.

203.1 Sec. 26. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
203.2 to read:

203.3 Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the
203.4 department. The purpose of the program is to provide grants for preweatherization services,
203.5 as defined under section 216B.2402, subdivision 20, in order to expand the breadth and
203.6 depth of services provided to income-eligible households in Minnesota.

203.7 Sec. 27. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
203.8 to read:

203.9 Subd. 1c. **Prewetherization account.** (a) A preweatherization account is created as a
203.10 separate account in the special revenue fund of the state treasury. The account consists of
203.11 money provided by law, donated, allotted, transferred, or otherwise provided to the account.
203.12 Earnings, including interest, dividends, and any other earnings arising from assets of the
203.13 account, must be credited to the account. Money remaining in the account at the end of a
203.14 fiscal year does not cancel to the general fund and remains in the account until expended.
203.15 The commissioner must manage the account.

203.16 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
203.17 under the program, and (2) the reasonable costs incurred by the commissioner to administer
203.18 the program.

203.19 Sec. 28. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

203.20 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state
203.21 grants in a manner consistent with the goal of producing the maximum number of weatherized
203.22 units. Supplementary state grants are provided primarily for the payment of additional labor
203.23 costs for the federal weatherization program, and as an incentive for the increased production
203.24 of weatherized units. to pay for and may be used to:

203.25 (1) address physical deficiencies in a residence that increase heat loss, including
203.26 deficiencies that prohibit the residence from being eligible to receive federal weatherization
203.27 assistance;

203.28 (2) install eligible preweatherization measures established by the commissioner, as
203.29 required under section 216B.241, subdivision 7, paragraph (g);

203.30 (3) increase the number of weatherized residences;

204.1 (4) conduct outreach activities to make income-eligible households aware of available
 204.2 weatherization services, to assist applicants in filling out applications for weatherization
 204.3 assistance, and to provide translation services when necessary;

204.4 (5) enable projects in multifamily buildings to proceed even if the project cannot comply
 204.5 with the federal requirement that projects must be completed within the same federal fiscal
 204.6 year in which the project is begun;

204.7 (6) expand weatherization training opportunities in existing and new training programs;

204.8 (7) pay additional labor costs for the federal weatherization program; and

204.9 (8) provide an incentive for the increased production of weatherized units.

204.10 (b) Criteria for the allocation of used to allocate state grants to local agencies include
 204.11 existing local agency production levels, emergency needs, and the potential for maintaining
 204.12 to maintain or increasing increase acceptable levels of production in the area.

204.13 (c) An eligible local agency may receive advance funding for 90 days' production, but
 204.14 thereafter must receive grants solely on the basis of the program criteria under this
 204.15 subdivision.

204.16 Sec. 29. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
 204.17 to read:

204.18 Subd. 7. **Supplemental weatherization assistance program.** The commissioner must
 204.19 provide grants to weatherization service providers to address physical deficiencies and
 204.20 install weatherization and preweatherization measures in residential buildings occupied by
 204.21 eligible low-income households.

204.22 Sec. 30. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
 204.23 to read:

204.24 Subd. 8. **Training grants program.** (a) The commissioner must establish a
 204.25 weatherization training grant program to award grants through a competitive process to
 204.26 educational institutions, certified training centers, labor organizations, and nonprofits to
 204.27 assist with the costs associated with training and developing programs for careers in the
 204.28 weatherization industry.

204.29 (b) In order to receive grant funds, a written application must be submitted to the
 204.30 commissioner on a form developed by the commissioner.

205.1 (c) When awarding grants under this subdivision, the commissioner must prioritize
205.2 applications that:

205.3 (1) provide the highest quality training to prepare for in-demand careers;

205.4 (2) train workers to provide weatherization services that meet federal Building
205.5 Performance Institute certification requirements or Standard Work Specification
205.6 requirements, as required by the program; and

205.7 (3) leverage nonstate funds or in-kind contributions.

205.8 Sec. 31. [216C.331] ENERGY BENCHMARKING.

205.9 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
205.10 the meanings given.

205.11 (b) "Aggregated customer energy use data" means customer energy use data that is
205.12 combined into one collective data point per time interval. Aggregated customer energy use
205.13 data is data with any unique identifiers or other personal information removed that a
205.14 qualifying utility collects and aggregates in at least monthly intervals for an entire building
205.15 on a covered property.

205.16 (c) "Benchmark" means to electronically input into a benchmarking tool the total energy
205.17 use data and other descriptive information about a building that is required by a benchmarking
205.18 tool.

205.19 (d) "Benchmarking information" means data related to a building's energy use generated
205.20 by a benchmarking tool, and other information about the building's physical and operational
205.21 characteristics. Benchmarking information includes but is not limited to the building's:

205.22 (1) address;

205.23 (2) owner and, if applicable, the building manager responsible for operating the building's
205.24 physical systems;

205.25 (3) total floor area, expressed in square feet;

205.26 (4) energy use intensity;

205.27 (5) greenhouse gas emissions; and

205.28 (6) energy performance score comparing the building's energy use with that of similar
205.29 buildings.

205.30 (e) "Benchmarking tool" means the United States Environmental Protection Agency's
205.31 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

206.1 (f) "Covered property" means any property that is served by an investor-owned utility
206.2 in the metropolitan area, as defined in section 473.121, subdivision 2, or in any city outside
206.3 the metropolitan area with a population of over 50,000 residents served by a municipal
206.4 energy utility or investor-owned utility, and that has one or more buildings containing in
206.5 sum 50,000 gross square feet or greater. Covered property does not include:

206.6 (1) a residential property containing fewer than five dwelling units;

206.7 (2) a property that is: (i) classified as manufacturing under the North American Industrial
206.8 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section
206.9 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) otherwise
206.10 an industrial building incompatible with benchmarking in the benchmarking tool;

206.11 (3) an agricultural building; or

206.12 (4) a multitenant building that is served by a utility that cannot supply aggregated
206.13 customer usage data, and other property types that do not meet the purposes of this section,
206.14 as determined by the commissioner.

206.15 (g) "Customer energy use data" means data collected from the utility customer meters
206.16 that reflect the quantity, quality, or timing of customers' usage.

206.17 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide
206.18 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

206.19 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
206.20 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
206.21 comparable buildings nationwide.

206.22 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
206.23 developed by the United States Environmental Protection Agency that (1) enables the
206.24 periodic entry of a building's energy use data and other descriptive information about a
206.25 building, and (2) rates a building's energy efficiency against that of comparable buildings
206.26 nationwide.

206.27 (k) "Energy use intensity" means the total annual energy consumed in a building divided
206.28 by the building's total floor area.

206.29 (l) "Financial distress" means a covered property that, at the time benchmarking is
206.30 conducted:

206.31 (1) is the subject of a qualified tax lien sale or public auction due to property tax
206.32 arrears;

- 207.1 (2) is controlled by a court-appointed receiver based on financial distress;
- 207.2 (3) is owned by a financial institution through default by the borrower;
- 207.3 (4) has been acquired by deed in lieu of foreclosure; or
- 207.4 (5) has a senior mortgage that is subject to a notice of default.
- 207.5 (m) "Local government" means a statutory or home rule municipality or county.
- 207.6 (n) "Owner" means:
- 207.7 (1) an individual or entity that possesses title to a covered property; or
- 207.8 (2) an agent authorized to act on behalf of the covered property owner.
- 207.9 (o) "Qualifying utility" means a utility serving the covered property, including:
- 207.10 (1) an electric or gas utility, including:
- 207.11 (i) an investor-owned electric or gas utility; or
- 207.12 (ii) a municipally owned electric or gas utility;
- 207.13 (2) a natural gas supplier with five or more active commercial connections, accounts,
- 207.14 or customers in the state; or
- 207.15 (3) a district steam, hot water, or chilled water provider.
- 207.16 (p) "Tenant" means a person that occupies or holds possession of a building or part of
- 207.17 a building or premises pursuant to a lease agreement.
- 207.18 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,
- 207.19 measured between the outside exterior walls of the building. Total floor area includes covered
- 207.20 parking structures.
- 207.21 (r) "Utility customer" means the building owner or tenant listed on the utility's records
- 207.22 as the customer liable for payment of the utility service or additional charges assessed on
- 207.23 the utility account.
- 207.24 Subd. 2. **Establishment.** The commissioner must establish and maintain a building
- 207.25 energy benchmarking program. The purpose of the program is to:
- 207.26 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's
- 207.27 energy consumption levels and patterns, and (ii) how the building's energy use compares
- 207.28 with that of similar buildings nationwide; and

208.1 (2) enhance the likelihood that an owner adopts energy conservation measures in the
 208.2 owner's building as a way to reduce energy use, operating costs, and greenhouse gas
 208.3 emissions.

208.4 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered
 208.5 property is classified as follows:

208.6	<u>Class</u>	<u>Total Floor Area (square feet)</u>
208.7	<u>1</u>	<u>100,000 or more</u>
208.8	<u>2</u>	<u>50,000 to 99,999</u>

208.9 Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all
 208.10 covered property owned as of December 31 in conformity with the schedule in subdivision
 208.11 7. Energy use data must be compiled by:

208.12 (1) obtaining the data from the utility providing the energy; or

208.13 (2) reading a master meter.

208.14 (b) Before entering information in a benchmarking tool, an owner must run all automated
 208.15 data quality assurance functions available within the benchmarking tool and must correct
 208.16 all data identified as missing or incorrect.

208.17 (c) An owner who becomes aware that any information entered into a benchmarking
 208.18 tool is inaccurate or incomplete must amend the information in the benchmarking tool within
 208.19 30 days of the date the owner learned of the inaccuracy.

208.20 (d) Nothing in this subdivision prohibits an owner of property that is not a covered
 208.21 property from voluntarily benchmarking a property under this section.

208.22 Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an
 208.23 owner of a covered property from the requirements of subdivision 4 if the owner provides
 208.24 evidence satisfactory to the commissioner that the covered property:

208.25 (1) is presently experiencing financial distress;

208.26 (2) has been less than 50 percent occupied during the previous calendar year;

208.27 (3) does not have a certificate of occupancy or temporary certificate of occupancy for
 208.28 the full previous calendar year;

208.29 (4) was issued a demolition permit during the previous calendar year that remains current;

208.30 or

208.31 (5) received no energy services for at least 30 days during the previous calendar year.

209.1 (b) An exemption granted under this subdivision applies only to a single calendar year.
209.2 An owner must reapply to the commissioner each year an extension is sought.

209.3 (c) Within 30 days of the date an owner makes a request under this paragraph, a tenant
209.4 of a covered property subject to this section must provide the owner with any information
209.5 regarding energy use of the tenant's rental unit that the property owner cannot otherwise
209.6 obtain and that is needed by the owner to comply with this section. The tenant must provide
209.7 the information required under this paragraph in a format approved by the commissioner.

209.8 Subd. 6. **Exemption by other government benchmarking program.** An owner is
209.9 exempt from the requirements of subdivision 4 for a covered property if the property is
209.10 subject to a benchmarking requirement by the state, a city, or other political subdivision
209.11 with a benchmarking requirement that the commissioner determines is equivalent or more
209.12 stringent, as determined under subdivision 11, paragraph (b), than the benchmarking
209.13 requirement established in this section. The exemption under this subdivision applies in
209.14 perpetuity unless or until the benchmarking requirement is changed or revoked and the
209.15 commissioner determines the benchmarking requirement is no longer equivalent nor more
209.16 stringent.

209.17 Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered
209.18 property for the previous calendar year according to the following schedule:

209.19 (1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

209.20 (2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

209.21 (b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2
209.22 properties, an owner who is selling a covered property must provide the following to the
209.23 new owner at the time of sale:

209.24 (1) benchmarking information for the most recent 12-month period, including monthly
209.25 energy use by source; or

209.26 (2) ownership of the digital property record in the benchmarking tool through an online
209.27 transfer.

209.28 Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility
209.29 shall only aggregate customer energy use data of covered properties, and on or before
209.30 January 1, 2025, a qualifying utility shall:

209.31 (1) establish an aggregation standard whereby:

- 210.1 (i) an aggregated customer energy use data set may include customer energy use data
210.2 from no fewer than four customers. A single customer's energy use must not constitute more
210.3 than 50 percent of total energy consumption for the requested data set; and
- 210.4 (ii) customer energy use data sets containing three or fewer customers or with a single
210.5 customer's energy use constituting more than 50 percent of total energy consumption may
210.6 be provided upon the written consent of:
- 210.7 (A) all customers included in the requested data set, in cases of three or fewer customers;
210.8 or
- 210.9 (B) any customer constituting more than 50 percent of total energy consumption for the
210.10 requested data set; and
- 210.11 (2) prepare and make available customer energy use data and aggregated customer energy
210.12 use data upon the request of an owner.
- 210.13 (b) Customer energy use data that a qualifying utility provides an owner pursuant to this
210.14 subdivision must be:
- 210.15 (1) available on, or able to be requested through, an easily navigable web portal or online
210.16 request form using up-to-date standards for digital authentication;
- 210.17 (2) provided to the owner within 30 days after receiving the owner's valid written or
210.18 electronic request;
- 210.19 (3) provided for at least 24 consecutive months of energy consumption or as many
210.20 months of consumption data that are available if the owner has owned the building for less
210.21 than 24 months;
- 210.22 (4) directly uploaded to the owner's benchmarking tool account, delivered in the
210.23 spreadsheet template specified by the benchmarking tool, or delivered in another format
210.24 approved by the commissioner;
- 210.25 (5) provided to the owner on at least an annual basis until the owner revokes the request
210.26 for energy use data or sells the covered property; and
- 210.27 (6) provided in monthly intervals, or the shortest available intervals based in billing.
- 210.28 (c) Data necessary to establish, utilize, or maintain information in the benchmarking
210.29 tool under this section may be collected or shared as provided by this section and are
210.30 considered public data whether or not the data have been aggregated.
- 210.31 (d) Notwithstanding any other provision of law, a qualifying utility shall not aggregate
210.32 or anonymize customer energy use data of any customer exempted by the commissioner

211.1 under section 216B.241 from contributing to investments and expenditures made by a
211.2 qualifying utility under an energy and conservation optimization plan unless that customer
211.3 provides written consent to the qualifying utility.

211.4 (e) Except as provided in paragraph (d), qualifying utilities may aggregate the customer
211.5 energy use data of properties with a total floor area of less than 50,000 square feet if the
211.6 property otherwise meets the definition of a covered property.

211.7 **Subd. 9. Data collection and management.** (a) The commissioner must:

211.8 (1) collect benchmarking information generated by a benchmarking tool and other related
211.9 information for each covered property;

211.10 (2) provide technical assistance to owners entering data into a benchmarking tool;

211.11 (3) collaborate with the Department of Revenue to collect the data necessary for
211.12 establishing the covered property list annually; and

211.13 (4) provide technical guidance to utilities in the establishment of data aggregation and
211.14 access tools.

211.15 (b) Upon request of the commissioner, a county assessor shall provide readily available
211.16 property data necessary for the development of the covered property list, including but not
211.17 limited to gross floor area, property type, and owner information by January 15 annually.

211.18 (c) The commissioner must:

211.19 (1) rank benchmarked covered properties in each property class from highest to lowest
211.20 performance score or, if a performance score is unavailable for a covered property, from
211.21 lowest to highest energy use intensity;

211.22 (2) divide covered properties in each property class into four quartiles based on the
211.23 applicable measure in clause (1);

211.24 (3) assign four stars to each covered property in the quartile of each property class with
211.25 the highest performance scores or lowest energy use intensities, as applicable;

211.26 (4) assign three stars to each covered property in the quartile of each property class with
211.27 the second highest performance scores or second lowest energy use intensities, as applicable;

211.28 (5) assign two stars to each covered property in the quartile of each property class with
211.29 the third highest performance scores or third lowest energy use intensities, as applicable;

211.30 (6) assign one star to each covered property in the quartile of each property class with
211.31 the lowest performance scores or highest energy use intensities, as applicable; and

212.1 (7) serve notice in writing to each owner identifying the number of stars assigned by the
 212.2 commissioner to each of the owner's covered properties.

212.3 Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's
 212.4 website and update by December 1 annually the following information for the previous
 212.5 calendar year:

212.6 (1) annual summary statistics on energy use for all covered properties;

212.7 (2) annual summary statistics on energy use for all covered properties, aggregated by
 212.8 covered property class, as defined in subdivision 3, city, and county;

212.9 (3) the percentage of covered properties in each building class listed in subdivision 3
 212.10 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

212.11 (4) for each covered property, at a minimum, report the address, the total energy use,
 212.12 energy use intensity, annual greenhouse gas emissions, and an energy performance score,
 212.13 if available.

212.14 (b) The commissioner must post the information required under this subdivision for:

212.15 (1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter;

212.16 and

212.17 (2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

212.18 Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner
 212.19 shall coordinate with any state agency or local government that implements an energy
 212.20 benchmarking program, including the coordination of reporting requirements.

212.21 (b) This section does not restrict a local government from adopting or implementing an
 212.22 ordinance or resolution that imposes more stringent benchmarking requirements. For purposes
 212.23 of this section, a local government benchmarking program is more stringent if the program
 212.24 requires:

212.25 (1) buildings to be benchmarked that are not required to be benchmarked under this
 212.26 section; or

212.27 (2) benchmarking of information that is not required to be benchmarked under this
 212.28 section.

212.29 (c) Benchmarking program requirements of local governments must:

212.30 (1) be at least as comprehensive in scope and application as the program operated under
 212.31 this section; and

213.1 (2) include annual enforcement of a penalty on covered properties that do not comply
213.2 with the local government's benchmarking ordinance.

213.3 (d) Local governments must notify the commissioner of the local government's existing
213.4 benchmarking ordinance requirements. Local governments must notify the commissioner
213.5 of new, changed, or revoked ordinance requirements, which when made by December 31
213.6 would apply to the benchmarking schedule for the following year.

213.7 (e) The commissioner shall make available for local governments upon request all
213.8 benchmarking data for covered properties within the local government's jurisdiction by
213.9 December 1, annually.

213.10 Subd. 12. **Building performance disclosure to occupants.** The commissioner must
213.11 provide disclosure materials for public display within a building to building owners, so that
213.12 building owners can prominently display the performance of the building. The materials
213.13 must include the number of stars assigned to the building by the commissioner under
213.14 subdivision 9, paragraph (c), and a relevant explanation of the rating.

213.15 Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner
213.16 of each covered property required to benchmark for the previous calendar year of the
213.17 requirement to benchmark by June 1 of the current year.

213.18 Subd. 14. **Program implementation.** The commissioner may contract with an
213.19 independent third party to implement any or all of the commissioner's duties required under
213.20 this section. To implement the benchmarking program, the commissioner shall assist building
213.21 owners to increase energy efficiency and reduce greenhouse gas emissions from the owners'
213.22 buildings, including by providing outreach, training, and technical assistance to building
213.23 owners to help the owners' buildings come into compliance with the benchmarking program.

213.24 Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner
213.25 of each covered property required to comply with this section that has failed to comply that
213.26 the owner has until July 15 to come into compliance, unless the owner requests an extension,
213.27 in which case the owner has until August 15 to come into compliance. If an owner fails to
213.28 comply with the requirements of this section by July 15 and fails to request an extension
213.29 by that date, or is given an extension and fails to comply by August 15, the commissioner
213.30 may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase
213.31 the civil fine to adjust for inflation.

213.32 Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover
213.33 reasonable and prudent expenses of implementing this section under section 216B.16,
213.34 subdivision 6b. The costs and benefits associated with implementing this section may, at

214.1 the discretion of the utility, be excluded from the calculation of net economic benefits for
 214.2 purposes of calculating the financial incentive to the public utility under section 216B.16,
 214.3 subdivision 6c. The energy and demand savings may, at the discretion of the public utility,
 214.4 be applied toward the calculation of overall portfolio energy and demand savings for purposes
 214.5 of determining progress toward annual goals under section 216B.241, subdivision 1c, and
 214.6 in the financial incentive mechanism under section 216B.16, subdivision 6c.

214.7 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
 214.8 that subdivision 15 is effective June 15, 2026.

214.9 Sec. 32. Minnesota Statutes 2022, section 216C.375, subdivision 1, is amended to read:

214.10 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
 214.11 the following terms have the meanings given them.

214.12 (b) "Developer" means an entity that installs a solar energy system on a school building
 214.13 that has been awarded a grant under this section.

214.14 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

214.15 (d) "School" means: (1) a school that operates as part of an independent or special school
 214.16 district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the
 214.17 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

214.18 (e) "School district" means: (1) an independent or special school district; or (2) any other
 214.19 public school district deemed appropriate by the commissioner, provided that at a minimum
 214.20 the school owns the building and instruction for students occurs.

214.21 (f) "Solar energy system" means photovoltaic or solar thermal devices.

214.22 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section
 214.23 216B.2411, subdivision 2, paragraph (d).

214.24 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision
 214.25 4.

214.26 Sec. 33. Minnesota Statutes 2022, section 216C.375, subdivision 3, is amended to read:

214.27 Subd. 3. **Establishment of account.** (a) A solar for schools program account is
 214.28 established in the special revenue fund. Money received from the general fund must be
 214.29 transferred to the commissioner of commerce and credited to the account. The account
 214.30 consists of money provided by law, donated, allocated, transferred, or otherwise provided

215.1 to the account. Earnings, including interest, dividends, and any other earnings arising from
215.2 the assets of the account, must be credited to the account.

215.3 (b) Money in the account is appropriated to the commissioner for the purposes of the
215.4 program under this section. Except as otherwise provided in this paragraph, money deposited
215.5 in the account remains in the account until expended. Any money that remains in the account
215.6 on June 30, ~~2027~~ 2034, cancels to the general fund.

215.7 Sec. 34. Minnesota Statutes 2022, section 216C.375, subdivision 10, is amended to read:

215.8 Subd. 10. **Application deadline.** ~~No~~ An application ~~may~~ must not be submitted under
215.9 this section after December 31, ~~2025~~ 2032.

215.10 Sec. 35. Minnesota Statutes 2022, section 216C.375, subdivision 11, is amended to read:

215.11 Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January
215.12 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members
215.13 of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts
215.14 awarded to schools under this section during the previous year; (2) financial assistance,
215.15 including amounts per award, provided to schools under section 216C.376 during the
215.16 previous year; and (3) any remaining balances available under this section and section
215.17 216C.376.

215.18 Sec. 36. **[216C.377] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE**
215.19 **PROGRAM.**

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

215.22 (b) "Capacity constrained location" means a location on an electric utility's distribution
215.23 system that the utility has reasonably determined requires significant distribution or network
215.24 upgrades before additional distributed energy resources can interconnect.

215.25 (c) "DER Technical Planning Standard" means an engineering practice that limits the
215.26 total aggregate distributed energy resource capacity that may interconnect to a particular
215.27 location on the utility's distribution system.

215.28 (d) "Distributed energy resources" means distributed generation, as defined in section
215.29 216B.164, and energy storage systems, as defined in section 216B.2422.

216.1 (e) "Distribution upgrades" means the additions, modifications, and upgrades made to
216.2 an electric utility's distribution system to facilitate interconnection of distributed energy
216.3 resources.

216.4 (f) "Interconnection" means the process governed by section 216B.1611.

216.5 (g) "Net metered" has the meaning given in section 216B.164.

216.6 (h) "Network upgrades" means additions, modifications, and upgrades to the transmission
216.7 system required at or beyond the point at which the distributed energy resource interconnects
216.8 with an electric utility's distribution system to accommodate the interconnection of the
216.9 distributed energy resource with the electric utility's distribution system. Network upgrades
216.10 do not include distribution upgrades.

216.11 Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade
216.12 program is established in the department. The purpose of the program is to provide funding
216.13 to the utility subject to section 116C.779 to complete infrastructure investments necessary
216.14 to enable electricity customers to interconnect distributed energy resources. The program
216.15 must be designed to achieve the following goals to the maximum extent feasible:

216.16 (1) make upgrades at capacity constrained locations on the utility's distribution system
216.17 that maximize the number and capacity of distributed energy resources projects with a
216.18 capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to
216.19 serve projected demand;

216.20 (2) enable all distributed energy resources projects with a nameplate capacity of up to
216.21 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business
216.22 days;

216.23 (3) minimize interconnection barriers for electricity customers seeking to construct net
216.24 metered facilities for on-site electricity use; and

216.25 (4) advance innovative solutions that can minimize the cost of distribution and network
216.26 upgrades required for interconnection, including but not limited to energy storage, control
216.27 technologies, smart inverters, distributed energy resources management systems, and other
216.28 innovative technologies and programs.

216.29 Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779
216.30 must file with the commissioner a plan for the distributed energy resources system upgrade
216.31 program. The plan must contain, at a minimum:

216.32 (1) a description of how the utility proposes to use money in the distributed energy
216.33 resources system upgrade program account to upgrade the utility's distribution system to

217.1 maximize the number and capacity of distributed energy resources that can be interconnected
 217.2 sufficient to serve projected demand;

217.3 (2) the locations where the utility proposes to make investments under the program;

217.4 (3) the number and capacity of distributed energy resources projects the utility expects
 217.5 to interconnect as a result of the program;

217.6 (4) a plan for reporting on the program's outcomes; and

217.7 (5) any additional information required by the commissioner.

217.8 (b) The utility subject to section 116C.779 is prohibited from implementing the program
 217.9 until the commissioner approves the plan submitted under this subdivision. No later than
 217.10 March 31, 2024, the commissioner must approve a plan under this subdivision that the
 217.11 commissioner determines is in the public interest. Any proposed modifications to the plan
 217.12 approved under this subdivision must be approved by the commissioner.

217.13 Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility
 217.14 must prioritize making investments:

217.15 (1) at capacity constrained locations on the distribution grid;

217.16 (2) in communities with demonstrated customer interest in distributed energy resources,
 217.17 as measured by anticipated, pending, and completed interconnection applications; and

217.18 (3) in communities with a climate action plan, clean energy goal, or policies that:

217.19 (i) seek to mitigate the impacts of climate change on the city; or

217.20 (ii) reduce the city's contributions to the causes of climate change.

217.21 Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of
 217.22 the utility subject to section 116C.779 under a plan approved in accordance with subdivision
 217.23 3 from money available in the distributed energy resources system upgrade program account:

217.24 (1) distribution upgrades and network upgrades;

217.25 (2) energy storage; control technologies, including but not limited to a distributed energy
 217.26 resources management system; or other innovative technology used to achieve the purposes
 217.27 of this section;

217.28 (3) pilot programs operated by the utility to implement innovative technology solutions;
 217.29 and

217.30 (4) costs incurred by the department to administer this section.

218.1 Subd. 6. Capacity reserved. The utility subject to section 116C.779 must reserve any
218.2 increase in the DER Technical Planning Standard made available by upgrades paid for under
218.3 this section for net metered facilities and distributed energy resources with a nameplate
218.4 capacity of up to 40 kilowatts alternating current. The commissioner may modify the
218.5 requirements of this subdivision when the commissioner finds doing so is in the public
218.6 interest.

218.7 Subd. 7. Establishment of account. (a) A distributed energy resources system upgrade
218.8 program account is established in the special revenue fund. The account consists of money
218.9 provided by law, and any other money donated, allotted, transferred, or otherwise provided
218.10 to the account. Earnings, including interest, dividends, and any other earnings arising from
218.11 the assets of the account, must be credited to the account. Earnings remaining in the account
218.12 at the end of a fiscal year do not cancel to the general fund or renewable development
218.13 account but remain in the account until expended.

218.14 (b) Money in the account is appropriated to the commissioner for eligible expenditures
218.15 under this section.

218.16 Subd. 8. Reporting of certain incidents. The utility subject to section 116C.779 must
218.17 report to the commissioner within 60 days if any distributed energy resources project with
218.18 a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety,
218.19 reliability, or the cost of distribution or network upgrades required at a location for which
218.20 upgrade funding was provided under this program. The utility must make available to the
218.21 commissioner all engineering analyses, studies, and information related to any such instances.
218.22 The commissioner may modify or waive this requirement after December 31, 2025.

218.23 Sec. 37. [216C.378] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.

218.24 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
218.25 the meanings given.

218.26 (b) "Cooperative electric association" means a cooperative association organized under
218.27 chapter 308A for the purpose of providing rural electrification at retail.

218.28 (c) "Developer" means an entity that applies for a grant on behalf of a public building
218.29 under this section to install a solar energy generating system on the public building.

218.30 (d) "Local unit of government" means:

218.31 (1) a county, statutory or home rule charter city, town, municipal utility, or other local
218.32 government jurisdiction, excluding a school district eligible to receive financial assistance
218.33 under section 216C.375 or 216C.376; or

219.1 (2) a federally recognized Indian Tribe in Minnesota.

219.2 (e) "Municipal electric utility" means a utility that (1) provides electric service to retail
219.3 customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

219.4 (f) "Public building" means:

219.5 (1) a building owned and operated by a local unit of government; or

219.6 (2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary
219.7 purpose is Tribal government operations.

219.8 (g) "Solar energy generating system" has the meaning given in section 216E.01,
219.9 subdivision 9a.

219.10 Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is
219.11 established in the department. The purpose of the program is to provide grants to stimulate
219.12 the installation of solar energy generating systems on public buildings.

219.13 Subd. 3. **Establishment of account.** A solar on public buildings grant program account
219.14 is established in the special revenue fund. Any money received from state resources for the
219.15 purposes of this section must be transferred to the commissioner of commerce and credited
219.16 to the account. Earnings, including interest, dividends, and any other earnings arising from
219.17 the assets of the account, must be credited to the account. Earnings remaining in the account
219.18 at the end of a fiscal year do not cancel to the general fund or renewable development
219.19 account but remain in the account until expended. The commissioner must manage the
219.20 account.

219.21 Subd. 4. **Appropriation; expenditures.** Money in the account established under
219.22 subdivision 3 is appropriated to the commissioner for the purposes of this section and must
219.23 be used only:

219.24 (1) for grant awards made under this section; and

219.25 (2) to pay the reasonable costs of the department to administer this section.

219.26 Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government
219.27 under this section only if the solar energy generating system that is the subject of the grant:

219.28 (1) is installed (i) on or adjacent to a public building that consumes the electricity
219.29 generated by the solar energy generating system, and (ii) on property within the service
219.30 territory of the utility currently providing electric service to the public building; and

220.1 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
220.2 average annual electricity consumption, measured over the most recent three calendar years,
220.3 of the public building at which the solar energy generating system is installed.

220.4 (b) A public building that receives a rebate or other financial incentive under section
220.5 216B.241 for a solar energy generating system is eligible for a grant under this section for
220.6 the same solar energy generating system.

220.7 (c) Before filing an application for a grant under this section, a local unit of government
220.8 or public building that is served by a municipal electric utility or cooperative electric
220.9 association must inform the municipal electric utility or cooperative electric association of
220.10 the local unit of government's or public building's intention to do so.

220.11 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
220.12 to utilities, local units of government, and developers who may wish to apply for a grant
220.13 under this section on behalf of a public building.

220.14 (b) A utility or developer must submit an application to the commissioner on behalf of
220.15 a public building on a form prescribed by the commissioner. The form must include, at a
220.16 minimum, the following information:

220.17 (1) the capacity of the proposed solar energy generating system and the amount of
220.18 electricity that is expected to be generated;

220.19 (2) the current energy demand of the public building on which the solar energy generating
220.20 system is to be installed, information regarding any distributed energy resource that currently
220.21 provides electricity to the public building, and the size of the public building's subscription
220.22 to a community solar garden, if applicable;

220.23 (3) information sufficient to estimate the energy and monetary savings that are projected
220.24 to result from installation of the solar energy generating system over the system's useful
220.25 life;

220.26 (4) the total cost to purchase and install the solar energy system and the solar energy
220.27 system's life cycle cost, including removal and disposal at the end of the system's life;

220.28 (5) a copy of the proposed contract agreement between the local unit of government and
220.29 the utility or developer that includes provisions addressing responsibility for maintenance,
220.30 removal, and disposal of the solar energy generating system; and

220.31 (6) if the applicant is other than the utility providing electric service to the public building
220.32 at which the solar energy generating system is to be installed, a written statement or
220.33 memorandum of understanding from that utility that the proposed financing arrangement

221.1 presents no foreseeable issues that would prevent interconnection of the solar energy
221.2 generating system.

221.3 (c) The commissioner must administer an open application process under this section
221.4 at least twice annually.

221.5 (d) The commissioner must develop administrative procedures governing the application
221.6 and grant award process under this section.

221.7 Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of
221.8 government awarded a grant under this section must provide the commissioner with
221.9 information regarding energy conservation measures implemented at the public building
221.10 where the solar energy generating system is to be installed. The commissioner may make
221.11 recommendations to the local unit of government regarding cost-effective conservation
221.12 measures the local unit of government can implement and may provide technical assistance
221.13 and direct the local unit of government to available financial assistance programs.

221.14 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
221.15 local units of government to develop and execute projects under this section.

221.16 Subd. 9. **Grant payments.** A grant awarded by the commissioner from the account
221.17 established under subdivision 3 to a local unit of government must include the necessary
221.18 and reasonable costs associated with the purchase and installation of a solar energy generating
221.19 system. In determining the amount of a grant award, the commissioner shall take into
221.20 consideration the financial capacity of the local unit of government awarded the grant.

221.21 Subd. 10. **Application deadline.** An application must not be submitted under this section
221.22 after December 31, 2032.

221.23 Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction
221.24 work on a project supported by a grant awarded under this section: (1) must pay employees
221.25 working on the project no less than the prevailing wage rate, as defined in section 177.42;
221.26 and (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30,
221.27 177.32, 177.41 to 177.435, and 177.45.

221.28 Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
221.29 15, 2027, the commissioner must report to the chairs and ranking minority members of the
221.30 legislative committees with primary jurisdiction over energy finance and policy regarding
221.31 grants and amounts awarded to local units of government under this section during the
221.32 previous year and any remaining balances available in the account established under this
221.33 section.

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

222.2 Sec. 38. **[216C.379] ENERGY STORAGE INCENTIVE PROGRAM.**

222.3 (a) The electric utility subject to section 116C.779 must develop and operate a program
222.4 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing
222.5 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph
222.6 (f). No later than October 1, 2023, the utility subject to this section must file a plan with the
222.7 commissioner to operate the program. The utility must not operate the program until the
222.8 program is approved by the commissioner. Any change to an operating program must be
222.9 approved by the commissioner.

222.10 (b) In order to be eligible to receive a grant under this section, an energy storage system
222.11 must:

222.12 (1) have a capacity no greater than 50 kilowatt hours; and

222.13 (2) be located within the electric service area of the utility subject to this section.

222.14 (c) An owner of an energy storage system is eligible to receive a grant under this section
222.15 if:

222.16 (1) a solar energy generating system is operating at the same site as the proposed energy
222.17 storage system; or

222.18 (2) the owner has filed an application with the utility subject to this section to interconnect
222.19 a solar energy generating system at the same site as the proposed energy storage system.

222.20 (d) The commissioner must annually review and may adjust the amount of grants awarded
222.21 under this section, but must not increase the amount over that awarded in previous years
222.22 unless the commissioner demonstrates in writing that an upward adjustment is warranted
222.23 by market conditions.

222.24 (e) A customer who receives a grant under this section is eligible to receive financial
222.25 assistance under programs operated by the state or the utility for the solar energy generating
222.26 system operating in conjunction with the energy storage system.

222.27 (f) For the purposes of this section, "solar energy generating system" has the meaning
222.28 given in section 216E.01, subdivision 9a.

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

223.1 Sec. 39. [216C.401] ELECTRIC VEHICLE REBATES.

223.2 Subdivision 1. Definitions. (a) For purposes of this section and section 216C.402, the
223.3 terms in this subdivision have the meanings given.

223.4 (b) "Dealer" means a person, firm, or corporation that:

223.5 (1) possesses a new motor vehicle license under chapter 168;

223.6 (2) regularly engages in the business of manufacturing or selling, purchasing, and
223.7 generally dealing in new and unused motor vehicles;

223.8 (3) has an established place of business to sell, trade, and display new and unused motor
223.9 vehicles; and

223.10 (4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

223.11 (c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,
223.12 paragraphs (a) and (b), clause (3).

223.13 (d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements
223.14 of subdivision 2, paragraph (a).

223.15 (e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements
223.16 of subdivision 2, paragraph (b).

223.17 (f) "Lease" means a business transaction under which a dealer furnishes an eligible
223.18 electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences
223.19 of ownership transferred, other than the right to use the vehicle for a term of at least 24
223.20 months.

223.21 (g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

223.22 (h) "New eligible electric vehicle" means an eligible electric vehicle that has not been
223.23 registered in any state.

223.24 Subd. 2. Eligible vehicle. (a) A new electric vehicle is eligible for a rebate under this
223.25 section if the electric vehicle:

223.26 (1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

223.27 (2) has not been previously owned;

223.28 (3) has not been modified from the original manufacturer's specifications;

223.29 (4) is purchased or leased from a dealer or directly from an original equipment
223.30 manufacturer that does not have licensed franchised dealers in Minnesota; and

224.1 (5) is purchased or leased after the effective date of this section for use by the purchaser
 224.2 and not for resale.

224.3 (b) A used electric vehicle is eligible for an electric vehicle rebate under this section if
 224.4 the electric vehicle had a base manufacturer's suggested retail price that did not exceed
 224.5 \$60,000 when purchased, has previously been owned in Minnesota or another state, and
 224.6 has not been modified from the original manufacturer's specifications.

224.7 (c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

224.8 (1) is used by a dealer as a floor model or test drive vehicle and has not been previously
 224.9 registered in Minnesota or any other state prior to purchase or lease; or

224.10 (2) is returned to a dealer by a purchaser or lessee:

224.11 (i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing
 224.12 for the electric vehicle has been disapproved; or

224.13 (ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered
 224.14 in Minnesota.

224.15 Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible
 224.16 new or used electric vehicle is eligible for a rebate under this section if the purchaser or
 224.17 lessee:

224.18 (1) is one of the following:

224.19 (i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),
 224.20 when the electric vehicle is purchased or leased;

224.21 (ii) a business that has a valid address in Minnesota from which business is conducted;

224.22 (iii) a nonprofit corporation incorporated under chapter 317A; or

224.23 (iv) a political subdivision of the state;

224.24 (2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle
 224.25 from the state of Minnesota; and

224.26 (3) registers the electric vehicle in Minnesota.

224.27 Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an
 224.28 eligible purchaser to purchase or lease an eligible new electric vehicle.

224.29 (b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of
 224.30 an eligible used electric vehicle.

225.1 (c) A purchaser or lessee whose household income at the time the eligible electric vehicle
 225.2 is purchased or leased is less than 150 percent of the current federal poverty guidelines
 225.3 established by the Department of Health and Human Services is eligible for a rebate of \$500
 225.4 to purchase or lease an eligible new electric vehicle and \$100 to purchase or lease an eligible
 225.5 used electric vehicle. The rebate under this paragraph is in addition to the rebate under
 225.6 paragraph (a) or (b), as applicable.

225.7 Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

225.8 (1) no more than one rebate per resident; and

225.9 (2) no more than one rebate per business entity per year.

225.10 Subd. 6. **Program administration.** (a) A rebate application under this section must be
 225.11 filed with the commissioner on a form developed by the commissioner.

225.12 (b) The commissioner must develop administrative procedures governing the application
 225.13 and rebate award process. Applications must be reviewed and rebates awarded by the
 225.14 commissioner on a first-come, first-served basis.

225.15 (c) The commissioner must, in coordination with dealers and other state agencies as
 225.16 applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or
 225.17 lessee at the point of sale so that the rebate amount may be subtracted from the selling price
 225.18 of the eligible electric vehicle.

225.19 (d) The commissioner may reduce the rebate amounts provided under subdivision 4 or
 225.20 restrict program eligibility based on the availability of money to award rebates or other
 225.21 factors.

225.22 Subd. 7. **Expiration.** This section expires June 30, 2027.

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

225.24 Sec. 40. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**
 225.25 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

225.26 Subdivision 1. **Establishment.** A grant program is established in the department to
 225.27 award grants to dealers to offset the costs of obtaining the necessary training and equipment
 225.28 that is required by electric vehicle manufacturers in order to certify a dealer to sell electric
 225.29 vehicles produced by the manufacturer.

225.30 Subd. 2. **Application.** An application for a grant under this section must be made to the
 225.31 commissioner on a form developed by the commissioner. The commissioner must develop

226.1 administrative procedures and processes to review applications and award grants under this
 226.2 section.

226.3 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must
 226.4 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise
 226.5 from a manufacturer of electric vehicles.

226.6 Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this
 226.7 section must be used only to reimburse:

226.8 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's
 226.9 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

226.10 (2) a dealer for the reasonable costs to purchase and install equipment to service and
 226.11 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the
 226.12 franchise to the dealer; and

226.13 (3) the department for the reasonable costs to administer this section.

226.14 Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not
 226.15 exceed \$40,000.

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

226.17 Sec. 41. **[216C.441] MINNESOTA CLIMATE INNOVATION FINANCE**

226.18 **AUTHORITY.**

226.19 Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate
 226.20 and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose
 226.21 purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions
 226.22 reduction projects, and other qualified projects through the strategic deployment of public
 226.23 funds in the form of grants, loans, credit enhancements, and other financing mechanisms
 226.24 in order to leverage existing public and private sources of capital to reduce the upfront and
 226.25 total cost of qualified projects and to overcome financial barriers to project adoption,
 226.26 especially in low-income communities.

226.27 (b) The goals of the authority include but are not limited to:

226.28 (1) reducing Minnesota's contributions to climate change by accelerating the deployment
 226.29 of clean energy projects;

226.30 (2) ensuring that all Minnesotans share the benefits of clean and renewable energy and
 226.31 the opportunity to fully participate in the clean energy economy by promoting:

227.1 (i) the creation of clean energy jobs for Minnesota workers, particularly in environmental
227.2 justice communities and communities in which fossil fuel electric generating plants are
227.3 retiring; and

227.4 (ii) the principles of environmental justice in the authority's operations and funding
227.5 decisions; and

227.6 (3) maintaining energy reliability while reducing the economic burden of energy costs,
227.7 especially on low-income households.

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

227.10 (b) "Authority" means the Minnesota Climate Innovation Finance Authority.

227.11 (c) "Board" means the Minnesota Climate Innovation Finance Authority's board of
227.12 directors established in subdivision 10.

227.13 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph
227.14 (n).

227.15 (e) "Community navigator" means an organization that works to facilitate access to clean
227.16 energy project financing by community groups.

227.17 (f) "Credit enhancement" means a pool of capital set aside to cover potential losses on
227.18 loans and other investments made by financing entities. Credit enhancement includes but
227.19 is not limited to loan loss reserves and loan guarantees.

227.20 (g) "Energy storage system" has the meaning given in section 216B.2422, subdivision
227.21 1, paragraph (f).

227.22 (h) "Environmental justice" means that:

227.23 (1) communities of color, Indigenous communities, and low-income communities have
227.24 a healthy environment and are treated fairly when environmental statutes, rules, and policies
227.25 are developed, adopted, implemented, and enforced; and

227.26 (2) in all decisions that have the potential to affect the environment of an environmental
227.27 justice community or the public health of an environmental justice community's residents,
227.28 due consideration is given to the history of the area's and the area's residents' cumulative
227.29 exposure to pollutants and to any current socioeconomic conditions that increase the physical
227.30 sensitivity of the area's residents to additional exposure to pollutants.

228.1 (i) "Environmental justice community" means a community in Minnesota that, based
228.2 on the most recent data published by the United States Census Bureau, meets one or more
228.3 of the following criteria:

228.4 (1) 40 percent or more of the community's total population is nonwhite;

228.5 (2) 35 percent or more of households in the community have an income that is at or
228.6 below 200 percent of the federal poverty level;

228.7 (3) 40 percent or more of the community's residents over the age of five have limited
228.8 English proficiency; or

228.9 (4) the community is located within Indian country, as defined in United States Code,
228.10 title 18, section 1151.

228.11 (j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous
228.12 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by
228.13 anthropogenic sources.

228.14 (k) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender
228.15 if a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the
228.16 private lender.

228.17 (l) "Microgrid system" means an electrical grid that:

228.18 (1) serves a discrete geographical area from distributed energy resources; and

228.19 (2) can operate independently from the central electric grid on a temporary basis.

228.20 (m) "Project labor agreement" means a prehire collective bargaining agreement with a
228.21 council of building and construction trades labor organizations (1) prohibiting strikes,
228.22 lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor
228.23 disputes on the project.

228.24 (n) "Qualified project" means a project, technology, product, service, or measure
228.25 promoting energy efficiency, clean energy, electrification, or water conservation and quality
228.26 that:

228.27 (1) substantially reduces greenhouse gas emissions;

228.28 (2) reduces energy use without diminishing the level of service;

228.29 (3) increases the deployment of renewable energy projects, energy storage systems,
228.30 district heating, smart grid technologies, or microgrid systems;

228.31 (4) replaces existing fossil-fuel-based technology with an end-use electric technology;

229.1 (5) supports the development and deployment of electric vehicle charging stations and
229.2 associated infrastructure, electric buses, and electric fleet vehicles;

229.3 (6) reduces water use or protects, restores, or preserves the quality of surface waters; or

229.4 (7) incentivizes customers to shift demand in response to changes in the price of electricity
229.5 or when system reliability is not jeopardized.

229.6 (o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1,
229.7 paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable
229.8 energy.

229.9 (p) "Securitization" means the conversion of an asset composed of individual loans into
229.10 marketable securities.

229.11 (q) "Smart grid" means a digital technology that:

229.12 (1) allows for two-way communication between a utility and the utility's customers; and

229.13 (2) enables the utility to control power flow and load in real time.

229.14 Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted
229.15 in this section, the authority has the general powers granted in this subdivision.

229.16 (b) The authority may:

229.17 (1) hire an executive director and staff to conduct the authority's operations;

229.18 (2) sue and be sued;

229.19 (3) have a seal and alter the seal;

229.20 (4) acquire, hold, lease, manage, and dispose of real or personal property for the
229.21 authority's corporate purposes;

229.22 (5) enter into agreements, including cooperative financing agreements, contracts, or
229.23 other transactions, with any federal or state agency, county, local unit of government,
229.24 regional development commission, person, domestic or foreign partnership, corporation,
229.25 association, or organization;

229.26 (6) acquire by purchase real property, or an interest therein, in the authority's own name
229.27 where acquisition is necessary or appropriate;

229.28 (7) provide general technical and consultative services related to the authority's purpose;

229.29 (8) promote research and development in matters related to the authority's purpose;

- 230.1 (9) analyze greenhouse gas emissions reduction project financing needs in the state and
230.2 recommend measures to alleviate any shortage of financing capacity;
- 230.3 (10) contract with any governmental or private agency or organization, legal counsel,
230.4 financial advisor, investment banker, or others to assist in the exercise of the authority's
230.5 powers;
- 230.6 (11) enter into agreements with qualified lenders or others insuring or guaranteeing to
230.7 the state the payment of qualified loans or other financing instruments; and
- 230.8 (12) accept on behalf of the state any gift, grant, or interest in money or personal property
230.9 tendered to the state for any purpose pertaining to the authority's activities.
- 230.10 Subd. 4. Authority duties. (a) The authority must:
- 230.11 (1) serve as a financial resource to reduce the upfront and total costs of implementing
230.12 qualified projects;
- 230.13 (2) ensure that all financed projects reduce greenhouse gas emissions;
- 230.14 (3) ensure that financing terms and conditions offered are well-suited to qualified projects;
- 230.15 (4) strategically prioritize the use of the authority's funds to leverage private investment
230.16 in qualified projects, with the aim of achieving a high ratio of private to public money
230.17 invested through funding mechanisms that support, enhance, and complement private lending
230.18 and investment;
- 230.19 (5) coordinate with existing federal, state, local, utility, and other programs to ensure
230.20 that the authority's resources are being used most effectively to add to and complement
230.21 those programs;
- 230.22 (6) stimulate demand for qualified projects by:
- 230.23 (i) contracting with the department's Energy Information Center and community
230.24 navigators to provide information to project participants about federal, state, local, utility,
230.25 and other authority financial assistance for qualifying projects, and technical information
230.26 on energy conservation and renewable energy measures;
- 230.27 (ii) forming partnerships with contractors and informing contractors about the authority's
230.28 financing programs;
- 230.29 (iii) developing innovative marketing strategies to stimulate project owner interest,
230.30 especially in underserved communities; and
- 230.31 (iv) incentivizing financing entities to increase activity in underserved markets;

- 231.1 (7) finance projects in all regions of the state;
- 231.2 (8) develop participant eligibility standards and other terms and conditions for financial
231.3 support provided by the authority;
- 231.4 (9) develop and administer:
- 231.5 (i) policies to collect reasonable fees for authority services; and
- 231.6 (ii) risk management activities to support ongoing authority activities;
- 231.7 (10) develop consumer protection standards governing the authority's investments to
231.8 ensure that financial support is provided responsibly and transparently, and is in the financial
231.9 interest of participating project owners;
- 231.10 (11) develop methods to accurately measure the impact of the authority's activities,
231.11 particularly on low-income communities and on greenhouse gas emissions reductions;
- 231.12 (12) hire an executive director and sufficient staff with the appropriate skills and
231.13 qualifications to carry out the authority's programs, making an affirmative effort to recruit
231.14 and hire a director and staff who are from, or share the interests of, the communities the
231.15 authority must serve;
- 231.16 (13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas
231.17 Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title
231.18 42, section 7434(a). If the application deadlines for these grants are earlier than is practical
231.19 for the authority to meet, the commissioner shall apply on behalf of the authority. In all
231.20 cases, applications for these funds by or on behalf of the authority must be coordinated with
231.21 all known Minnesota applicants; and
- 231.22 (14) ensure that authority contracts with all third-party administrators, contractors, and
231.23 subcontractors contain required covenants, representations, and warranties specifying that
231.24 contracted third parties are agents of the authority, and that all acts of contracted third parties
231.25 are considered acts of the authority, provided that the act is within the contracted scope of
231.26 work.
- 231.27 (b) The authority may:
- 231.28 (1) employ credit enhancement mechanisms that reduce financial risk for financing
231.29 entities by providing assurance that a limited portion of a loan or other financial instrument
231.30 is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;
- 231.31 (2) co-invest in a qualified project by providing senior or subordinated debt, equity, or
231.32 other mechanisms in conjunction with other investment, co-lending, or financing;

232.1 (3) aggregate small and geographically dispersed qualified projects in order to diversify
232.2 risk or secure additional private investment through securitization or similar resale of the
232.3 authority's interest in a completed qualified project;

232.4 (4) expend up to 25 percent of money appropriated to the authority for start-up purposes,
232.5 which may be used for financing programs and project investments authorized under this
232.6 section prior to adoption of the strategic plan required under subdivision 7 and the investment
232.7 strategy under subdivision 8; and

232.8 (5) require a specific project to agree to implement a project labor agreement as a
232.9 condition of receiving financing from the authority.

232.10 Subd. 5. Underserved market analysis. (a) Before developing a financing program,
232.11 the authority must conduct an analysis of the financial market the authority is considering
232.12 entering in order to determine the extent to which the market is underserved and to ensure
232.13 that the authority's activities supplement, and do not duplicate or supplant, the efforts of
232.14 financing entities currently serving the market. The analysis must address the nature and
232.15 extent of any barriers or gaps that may be preventing financing entities from adequately
232.16 serving the market, and must examine present and projected future efforts of existing
232.17 financing entities, federal, state, and local governments, and of utilities and others to serve
232.18 the market.

232.19 (b) In determining whether the authority should enter a market, the authority must
232.20 consider:

232.21 (1) whether serving the market advances the authority's policy goals;

232.22 (2) the extent to which the market is currently underserved;

232.23 (3) the unique tools the authority would deploy to overcome existing market barriers or
232.24 gaps;

232.25 (4) how the authority would market the program to potential participants; and

232.26 (5) potential financing partners and the role financing partners would play in
232.27 complementing the authority's activities.

232.28 (c) Before providing any direct loans to residential borrowers, the authority must issue
232.29 a request for information to existing known financing entities, specifying the market need
232.30 and the authority's goals in meeting the underserved market segment, and soliciting each
232.31 financing entity's:

232.32 (1) current financing offerings for that specific market;

233.1 (2) prior efforts to meet that specific market; and

233.2 (3) plans and capabilities to serve that specific market.

233.3 (d) The authority may only provide direct loans to residential borrowers if the authority
233.4 certifies that no financing entity is currently able to meet the specific underserved market
233.5 need and the authority's goals, and that the authority's entry into the market does not supplant
233.6 or duplicate any existing financing activities in that specific market.

233.7 Subd. 6. Authority lending practices; labor and consumer protection standards. (a)
233.8 In determining the projects in which the authority will participate, the authority must give
233.9 preference to projects that:

233.10 (1) maximize the creation of high-quality employment and apprenticeship opportunities
233.11 for local workers, consistent with the public interest, especially workers from environmental
233.12 justice communities, labor organizations, and Minnesota communities hosting retired or
233.13 retiring electric generation facilities, including workers previously employed at retiring
233.14 facilities;

233.15 (2) utilize energy technologies produced domestically that received an advanced
233.16 manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under
233.17 the federal Inflation Reduction Act of 2022, Public Law 117-169;

233.18 (3) certify, for all contractors and subcontractors, that the rights of workers to organize
233.19 and unionize are recognized; and

233.20 (4) agree to implement a project labor agreement.

233.21 (b) The authority must require, for all projects for which the authority provides financing,
233.22 that:

233.23 (1) if the budget is \$100,000 or more, all contractors and subcontractors:

233.24 (i) must pay no less than the prevailing wage rate, as defined in section 177.42,
233.25 subdivision 6; and

233.26 (ii) are subject to the requirements and enforcement provisions under sections 177.27,
233.27 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage
233.28 rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in
233.29 at least one conspicuous location at the project site;

233.30 (2) financing is not offered without first ensuring that the participants meet the authority's
233.31 underwriting criteria; and

234.1 (3) any loan made to a homeowner for a project on the homeowner's residence complies
 234.2 with section 47.59 and the following federal laws:

234.3 (i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

234.4 (ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

234.5 (iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.;

234.6 and

234.7 (iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

234.8 (c) The authority and any third-party administrator, contractor, subcontractor, or agent
 234.9 that conducts lending, financing, investment, marketing, administration, servicing, or
 234.10 installation of measures in connection with a qualified project financed in whole or in part
 234.11 with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06
 234.12 to 325G.14; 325G.29 to 325G.37; and 332.37.

234.13 (d) For the purposes of this section, "local workers" means Minnesota residents who
 234.14 permanently reside within 150 miles of the location of a proposed project in which the
 234.15 authority is considering to participate.

234.16 Subd. 7. **Strategic plan.** (a) By December 15, 2024, and each December 15 in
 234.17 even-numbered years thereafter, the authority must develop and adopt a strategic plan that
 234.18 prioritizes the authority's activities over the next two years. A strategic plan must:

234.19 (1) identify targeted underserved markets for qualified projects in Minnesota;

234.20 (2) develop specific programs to overcome market impediments through access to
 234.21 authority financing and technical assistance; and

234.22 (3) develop outreach and marketing strategies designed to make potential project
 234.23 developers, participants, and communities aware of financing and technical assistance
 234.24 available from the authority, including the deployment of community navigators.

234.25 (b) Elements of the strategic plan must be informed by the authority's analysis of the
 234.26 market for qualified projects and by the authority's experience under the previous strategic
 234.27 plan, including the degree to which performance targets were or were not achieved by each
 234.28 financing program. In addition, the authority must actively seek input regarding activities
 234.29 that should be included in the strategic plan from stakeholders, environmental justice
 234.30 communities, the general public, and participants, including via meetings required under
 234.31 subdivision 9.

235.1 (c) The authority must establish annual targets in a strategic plan for each financing
235.2 program regarding the number of projects, level of authority investments, greenhouse gas
235.3 emissions reductions, and installed generating capacity or energy savings the authority
235.4 hopes to achieve, including separate targets for authority activities undertaken in
235.5 environmental justice communities.

235.6 (d) The authority's targets and strategies must be designed to ensure that no less than 40
235.7 percent of the direct benefits of authority activities flow to environmental justice communities
235.8 as defined under subdivision 2, by the United States Department of Energy, or as modified
235.9 by the department.

235.10 **Subd. 8. Investment strategy; content; process.** (a) No later than December 15, 2024,
235.11 and every four years thereafter, the authority must adopt a long-term investment strategy
235.12 to ensure the authority's paramount goal to reduce greenhouse gas emissions is reflected in
235.13 all of the authority's operations. The investment strategy must address:

235.14 (1) the types of qualified projects the authority should focus on;

235.15 (2) gaps in current qualified project financing that present the greatest opportunities for
235.16 successful action by the authority;

235.17 (3) how the authority can best position itself to maximize its impact without displacing,
235.18 subsidizing, or assuming risk that should be shared with financing entities;

235.19 (4) financing tools that will be most effective in achieving the authority's goals;

235.20 (5) partnerships the authority should establish with other organizations to increase the
235.21 likelihood of success; and

235.22 (6) how values of equity, environmental justice, and geographic balance can be integrated
235.23 into all investment operations of the authority.

235.24 (b) In developing an investment strategy, the authority must consult, at a minimum, with
235.25 similar organizations in other states, lending authorities, state agencies, utilities,
235.26 environmental and energy policy nonprofits, labor organizations, and other organizations
235.27 that can provide valuable advice on the authority's activities.

235.28 (c) The long-term investment strategy must contain provisions ensuring that:

235.29 (1) authority investments are not made solely to reduce private risk; and

235.30 (2) private financing entities do not unilaterally control the terms of investments to which
235.31 the authority is a party.

236.1 (d) The board must submit a draft long-term investment strategy for comment to each
236.2 of the groups and individuals the board consults under paragraph (b) and to the chairs and
236.3 ranking minority members of the senate and house of representatives committees with
236.4 primary jurisdiction over energy finance and policy, and must post the draft strategy on the
236.5 authority's website. The authority must accept written comments on the draft strategy for
236.6 at least 30 days and must consider the comments in preparing the final long-term investment
236.7 strategy.

236.8 Subd. 9. **Public communications and outreach.** The authority must:

236.9 (1) maintain a public website that provides information about the authority's operations,
236.10 current financing programs, and practices, including rates, terms, and conditions; the number
236.11 and amount of investments by project type; the number of jobs created; the financing
236.12 application process; and other information;

236.13 (2) periodically issue an electronic newsletter to stakeholders and the public containing
236.14 information on the authority's products, programs, and services and key authority events
236.15 and decisions; and

236.16 (3) hold quarterly meetings accessible online to update the general public on the
236.17 authority's activities, report progress being made in regard to the authority's strategic plan
236.18 and long-term investment strategy, and invite audience questions regarding authority
236.19 programs.

236.20 Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority
236.21 Board of Directors shall consist of the following 11 members:

236.22 (1) the commissioner of commerce, or the commissioner's designee;

236.23 (2) the commissioner of labor and industry, or the commissioner's designee;

236.24 (3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's
236.25 designee;

236.26 (4) the commissioner of employment and economic development, or the commissioner's
236.27 designee;

236.28 (5) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

236.29 (6) six additional members appointed by the governor, as follows:

236.30 (i) one member, appointed after the governor consults with labor organizations in the
236.31 state, must be a representative of a labor union with experience working on clean energy
236.32 projects;

- 237.1 (ii) one member with expertise in the impact of climate change on Minnesota
237.2 communities, particularly low-income communities;
- 237.3 (iii) one member with expertise in financing projects at a community bank, credit union,
237.4 community development institution, or local government;
- 237.5 (iv) one member with expertise in sustainable development and energy conservation;
- 237.6 (v) one member with expertise in environmental justice; and
- 237.7 (vi) one member with expertise in investment fund management or financing and
237.8 deploying clean energy technologies.
- 237.9 (b) At least two members appointed to the board must permanently reside outside the
237.10 metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively
237.11 reflect the geographic and ethnic diversity of the state.
- 237.12 (c) Board members appointed under paragraph (a), clause (6), shall serve a term of four
237.13 years.
- 237.14 (d) Members appointed to the board must:
- 237.15 (1) provide evidence of a commitment to the authority's purposes and goals; and
- 237.16 (2) not hold any personal or professional conflicts of interest related to the authority's
237.17 activities, including with respect to the member's financial investments and employment or
237.18 the financial investments and employment of the member's immediate family members.
- 237.19 (e) The authority shall contract with the department to provide administrative and
237.20 technical services to the board and to prospective borrowers, especially those serving or
237.21 located in environmental justice communities.
- 237.22 (f) Compensation of board members, removal of members, and filling of vacancies are
237.23 governed by section 15.0575.
- 237.24 (g) Board members may be reappointed for up to two full terms.
- 237.25 (h) A majority of board members, excluding vacancies, constitutes a quorum for the
237.26 purpose of conducting business and exercising powers, and for all other purposes. Action
237.27 may be taken by the authority upon a vote of a majority of the quorum present.
- 237.28 (i) Board members and officers are not personally liable, either jointly or severally, for
237.29 any debt or obligation created or incurred by the authority.
- 237.30 Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually
237.31 submit a comprehensive report on the authority's activities during the previous year to the

238.1 governor and the chairs and ranking minority members of the legislative committees with
238.2 primary jurisdiction over energy policy. The report must contain, at a minimum, information
238.3 on:

238.4 (1) the amount of authority capital invested, by project type;

238.5 (2) the amount of private and public capital leveraged by authority investments, by
238.6 project type;

238.7 (3) the number of qualified projects supported, by project type and location within
238.8 Minnesota, including in environmental justice communities;

238.9 (4) the estimated number of jobs created for local workers and nonlocal workers, the
238.10 ratio of projects subject to and exempt from prevailing wage requirements under subdivision
238.11 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

238.12 (5) estimated reductions in greenhouse gas emissions resulting from the authority's
238.13 activities;

238.14 (6) the number of clean energy projects financed in low- and moderate-income
238.15 households;

238.16 (7) a narrative describing the progress made toward the authority's equity, social, and
238.17 labor standards goals; and

238.18 (8) a financial audit conducted by an independent party.

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

238.20 **Sec. 42. [216C.45] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

238.23 (b) "Eligible applicant" means a person who provides evidence to the commissioner's
238.24 satisfaction demonstrating that the person has received or has applied for a heat pump rebate
238.25 available from the federal Department of Energy under the Inflation Reduction Act of 2022,
238.26 Public Law 117-189.

238.27 (c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a
238.28 mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air
238.29 using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor
238.30 that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

239.1 Subd. 2. **Establishment.** A residential heat pump rebate program is established in the
239.2 department to provide financial assistance to eligible applicants that purchase and install a
239.3 heat pump in the applicant's Minnesota residence.

239.4 Subd. 3. **Application.** (a) An application for a rebate under this section must be made
239.5 to the commissioner on a form developed by the commissioner. The application must be
239.6 accompanied by documentation, as required by the commissioner, demonstrating that:

239.7 (1) the applicant is an eligible applicant;

239.8 (2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

239.9 (3) the applicant has had an energy audit conducted of the residence in which the heat
239.10 pump is to be installed within the last 18 months by a person with a Building Analyst
239.11 Technician certification issued by the Building Performance Institute, Inc., or an equivalent
239.12 certification, as determined by the commissioner;

239.13 (4) either:

239.14 (i) the applicant has installed in the applicant's residence, by a contractor with an Air
239.15 Leakage Control Installer certification issued by the Building Performance Institute, Inc.,
239.16 or an equivalent certification, as determined by the commissioner, the amount of insulation
239.17 and the air sealing measures recommended by the auditor; or

239.18 (ii) the auditor has otherwise determined that the amount of insulation and air sealing
239.19 measures in the residence are sufficient to enable effective heat pump performance;

239.20 (5) the applicant has purchased a heat pump of the capacity recommended by the auditor
239.21 or contractor, and has had the heat pump installed by a contractor with sufficient training
239.22 and experience in installing heat pumps, as determined by the commissioner; and

239.23 (6) the total cost to purchase and install the heat pump in the applicant's residence.

239.24 (b) The commissioner must develop administrative procedures governing the application
239.25 and rebate award processes.

239.26 Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser
239.27 of:

239.28 (1) \$4,000; or

239.29 (2) the total cost to purchase and install the heat pump in an eligible applicant's residence
239.30 net of the rebate amount received for the heat pump from the federal Department of Energy
239.31 under the Inflation Reduction Act of 2022, Public Law 117-189.

240.1 Subd. 5. **Assisting applicants.** The commissioner must issue a request for proposals
240.2 seeking an entity to serve as an energy coordinator to interact directly with applicants and
240.3 potential applicants to:

240.4 (1) explain the technical aspects of heat pumps, energy audits, and energy conservation
240.5 measures, and the energy and financial savings that can result from implementing each;

240.6 (2) identify federal, state, and utility programs available to homeowners to reduce the
240.7 costs of energy audits, energy conservation, and heat pumps;

240.8 (3) explain the requirements and scheduling of the application process;

240.9 (4) provide access to certified contractors who can perform energy audits, install
240.10 insulation and air sealing measures, and install heat pumps; and

240.11 (5) conduct outreach to make potential applicants aware of the program.

240.12 Subd. 6. **Contractor training and support.** The commissioner must issue a request for
240.13 proposals seeking an entity to develop and organize programs to train contractors with
240.14 respect to the technical aspects and installation of heat pumps in residences. The training
240.15 curriculum must be at a level sufficient to provide contractors who complete training with
240.16 the knowledge and skills necessary to install heat pumps to industry best practice standards,
240.17 as determined by the commissioner. Training programs must: (1) be accessible in all regions
240.18 of the state; and (2) provide mentoring and ongoing support, including continuing education
240.19 and financial assistance, to trainees.

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

240.21 Sec. 43. **[216C.46] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT**
240.22 **PROGRAM.**

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

240.25 (b) "Area median income" means the median income of the geographic area in which a
240.26 single-family or multifamily building whose owner is applying for a grant under this section
240.27 is located, as reported by the United States Department of Housing and Urban Development.

240.28 (c) "Electric panel" means a building's electric panel or group of panels, including any
240.29 subpanels, consisting of buses and automatic overcurrent devices and equipment with or
240.30 without switches for the control of light, heat, or power circuits placed in an enclosure,
240.31 cabinet, or cutout box. Electric panel includes a smart panel.

240.32 (d) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

241.1 (e) "Eligible applicant" means:

241.2 (1) an owner of a single-family building whose occupants have an annual household
241.3 income no greater than 150 percent of the area median income; or

241.4 (2) an owner of a multifamily building in which at least 50 percent of the units are
241.5 occupied by households whose annual income is no greater than 150 percent of the area
241.6 median income.

241.7 (f) "Multifamily building" means a building containing two or more units.

241.8 (g) "Smart panel" means an electrical panel that may be electronically programmed to
241.9 manage electricity use in a building automatically.

241.10 (h) "Unit" means a residential living space in a multifamily building occupied by an
241.11 individual or a household.

241.12 (i) "Upgrade" means:

241.13 (1) for a single-family residence, the installation of equipment, devices, and wiring
241.14 necessary to increase an electrical panel's capacity to a total rating of not less than 200
241.15 amperes, or to a total rating that allows all the building's energy needs to be provided solely
241.16 by electricity, as calculated using the most recent National Electrical Code as adopted in
241.17 Minnesota;

241.18 (2) for a single-family residence, the installation of a smart panel; or

241.19 (3) for a multifamily building, the installation of equipment, devices, and wiring necessary
241.20 to increase the capacity of an electric panel, including feeder panels, to a total rating that
241.21 allows all the building's energy needs to be provided solely by electricity, as calculated
241.22 using the National Electrical Code as adopted in Minnesota.

241.23 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program
241.24 is established in the Department of Commerce to provide financial assistance to owners of
241.25 single-family residences and multifamily buildings to upgrade residential electric panels.

241.26 Subd. 3. **Application process.** An applicant seeking a grant under this section must
241.27 submit an application to the commissioner on a form developed by the commissioner. The
241.28 commissioner must develop administrative procedures to govern the application and grant
241.29 award process. The commissioner may contract with a third party to conduct some or all of
241.30 the program's operations.

241.31 Subd. 4. **Grant awards.** A grant may be awarded under this section to:

241.32 (1) an eligible applicant; or

242.1 (2) with the written permission of an eligible applicant submitted to the commissioner,
242.2 a contractor performing an upgrade or a third party on behalf of the eligible applicant.

242.3 Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (d), a grant awarded
242.4 under this section may be used to pay 100 percent of the equipment and installation costs
242.5 of an upgrade.

242.6 (b) The commissioner may not award a grant to an eligible applicant under this section
242.7 which, in combination with a federal grant awarded to the eligible applicant under the federal
242.8 Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade,
242.9 exceeds 100 percent of the equipment and installation costs of the upgrade.

242.10 (c) The maximum grant amount under this section that may be awarded to an eligible
242.11 applicant who owns a single-family residence is:

242.12 (1) \$3,000 for an owner whose annual household income is less than 80 percent of area
242.13 median income; and

242.14 (2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not
242.15 greater than 150 percent of area median income.

242.16 (d) The maximum grant amount that may be awarded under this section to an eligible
242.17 applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by
242.18 the number of units containing a separate electric panel receiving an upgrade in the
242.19 multifamily building, not to exceed \$50,000 per multifamily building.

242.20 (e) The commissioner may approve grants over the maximum amounts in paragraphs
242.21 (c) and (d) up to 100 percent of the equipment and installation costs of the upgrade if
242.22 necessary to complete the upgrade.

242.23 Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this
242.24 section for work conducted at the same single-family residence or multifamily building.

242.25 Subd. 7. **Outreach.** The department must publicize the availability of grants under this
242.26 section to, at a minimum:

242.27 (1) income-eligible households;

242.28 (2) community action agencies and other public and private nonprofit organizations that
242.29 provide weatherization and other energy services to income-eligible households; and

242.30 (3) multifamily property owners and property managers.

242.31 Subd. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors
242.32 performing electrical work under a grant awarded under this section:

243.1 (1) must comply with the provisions of sections 326B.31 to 326B.399;

243.2 (2) must certify that the electrical work is performed by a licensed journeyworker
 243.3 electrician or a registered unlicensed individual under the direct supervision of a licensed
 243.4 journeyworker electrician or master electrician employed by the same licensed electrical
 243.5 contractor; and

243.6 (3) must pay workers the prevailing wage rate, as defined in section 177.42, and are
 243.7 subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32,
 243.8 177.41 to 177.435, and 177.45.

243.9 Subd. 9. Report. Beginning January 1, 2025, and each January 1 through 2033, the
 243.10 department must submit a report to the chairs and ranking minority members of the legislative
 243.11 committees with primary jurisdiction over climate and energy policy describing the activities
 243.12 and expenditures under the program established in the section. The report must include, at
 243.13 a minimum:

243.14 (1) the number of units in multifamily buildings and the number of single-family
 243.15 residences whose owners received grants;

243.16 (2) the geographic distribution of grant recipients; and

243.17 (3) the average amount of grants awarded per building in multifamily buildings and in
 243.18 single-family residences.

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

243.20 Sec. 44. Laws 2023, chapter 24, section 3, is amended to read:

243.21 Sec. 3. **APPROPRIATION.**

243.22 (a) \$115,000,000 in fiscal year 2023 is ~~appropriated~~ transferred from the general fund
 243.23 to the commissioner of commerce for the purposes of state competitiveness fund account
 243.24 under Minnesota Statutes, section 216C.391. This is a onetime ~~appropriation~~ transfer. Of
 243.25 this amount:

243.26 (1) \$100,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,
 243.27 subdivision 3, of which at least \$75,000,000 is for grant awards of less than \$1,000,000;

243.28 (2) \$6,000,000 is for grant awards made under Minnesota Statutes, section 216C.391,
 243.29 subdivision 4;

243.30 (3) \$750,000 is for the reports and audits under Minnesota Statutes, section 216C.391,
 243.31 subdivision 7;

244.1 (4) \$1,500,000 is for information system development improvements necessary to carry
244.2 out Minnesota Statutes, section 216C.391, and to improve digital access and reporting;

244.3 (5) \$6,750,000 is for technical assistance to applicants and administration of Minnesota
244.4 Statutes, section 216C.391, by the Department of Commerce; and

244.5 (6) the commissioner may transfer money from clause (2) to clause (1) if less than 75
244.6 percent of the money in clause (2) has been awarded by June 30, 2028.

244.7 (b) To the extent that federal funds for energy projects under the Infrastructure Investment
244.8 and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law
244.9 117-169, become permanently unavailable to be matched with funds appropriated under
244.10 this section, the commissioner of management and budget must certify the proportional
244.11 amount of unencumbered funds remaining in the account established under Minnesota
244.12 Statutes, section 216C.391, and those unencumbered funds cancel to the general fund.

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

244.14 Sec. 45. **COMMISSION ORDER.**

244.15 Within 180 days of the filing by the public utility subject to Minnesota Statutes, section
244.16 116C.779, of the plan required by Minnesota Statutes, section 216B.1641, subdivision 4,
244.17 as amended by this act, the Public Utilities Commission must issue an order addressing the
244.18 requirements of Minnesota Statutes, section 216B.1641, as amended by this act.

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

244.20 Sec. 46. **ADVANCED NUCLEAR STUDY.**

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

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

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

244.28 (2) system costs for ratepayers;

244.29 (3) system reliability;

244.30 (4) the environment;

245.1 (5) local jobs;

245.2 (6) local economic development;

245.3 (7) Minnesota's eligible energy technology standard under Minnesota Statutes, section
245.4 216B.1691, subdivision 2a; and

245.5 (8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691,
245.6 subdivision 2g.

245.7 (c) The study must also evaluate:

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

245.10 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,
245.11 while accounting for the avoided costs that result from the closure of coal-fired plants; and

245.12 (3) the technologies and methods most likely to minimize the environmental impacts of
245.13 nuclear waste and the costs of managing nuclear waste.

245.14 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study
245.15 under subdivision 1 to the chairs and ranking minority members of the legislative committees
245.16 having jurisdiction over energy finance and policy no later than January 31, 2025.

245.17 Sec. 47. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**
245.18 **COMMERCE SUPPORT.**

245.19 (a) The Department of Commerce must provide technical support and subject matter
245.20 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian
245.21 Tribes in Minnesota to establish a Tribal advocacy council on energy.

245.22 (b) When providing support to a Tribal advocacy council on energy, the Department of
245.23 Commerce may assist the council to:

245.24 (1) assess and evaluate common Tribal energy issues, including (i) identifying and
245.25 prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate
245.26 solutions to energy issues, and (iii) assisting decision making with respect to resolving
245.27 energy issues;

245.28 (2) develop new statewide energy policies or proposed legislation, including (i) organizing
245.29 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with
245.30 policy proposal development, evaluation, and decision making, and (iv) helping facilitate

246.1 actions taken to submit, and obtain approval for or have enacted, policies or legislation
246.2 approved by the council;

246.3 (3) make efforts to raise awareness and provide educational opportunities with respect
246.4 to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on
246.5 issues and topics the council identifies as areas of interest, and (iii) identifying topics for
246.6 educational forums and helping facilitate the forum process; and

246.7 (4) identify, evaluate, and disseminate successful energy-related practices, and develop
246.8 mechanisms or opportunities to implement the successful practices.

246.9 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
246.10 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it
246.11 require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to
246.12 participate in or implement a decision or support an effort made by an established Tribal
246.13 advocacy council on energy.

246.14 (d) Any support provided by the Department of Commerce to a Tribal advocacy council
246.15 on energy under this section may be provided only upon request of the council and is limited
246.16 to issues and areas where the Department of Commerce's expertise and assistance is
246.17 requested.

246.18 **Sec. 48. ELECTRIC GRID RESILIENCY GRANTS.**

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

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

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

246.23 (d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section
246.24 216B.2402, subdivision 2.

246.25 Subd. 2. **Grant awards.** Grants may be awarded under this section to consumer-owned
246.26 utilities or associated trade associations, or to generation and transmission cooperative
246.27 electric associations, municipal power agencies, or power districts serving one or more
246.28 consumer-owned utilities, for projects that:

246.29 (1) develop or improve distributed energy resources in the state;

246.30 (2) demonstrate the project helps provide flexibility to electric utilities or consumers,
246.31 lead to lower rates, provide environmental benefits, or increase the resilience of an electric
246.32 grid;

247.1 (3) are power generation or storage resources located near load centers; or

247.2 (4) develop programs to enhance the safety of personnel performing duties exposing the
247.3 personnel to potential electrical hazards, including power system restoration, by incorporating
247.4 whole person safety concepts into safety programs.

247.5 Subd. 3. **Grant awards; administration.** (a) An entity seeking a grant award under
247.6 subdivision 2 must submit an application to the commissioner on a form prescribed by the
247.7 commissioner. The commissioner is responsible for receiving and reviewing grant
247.8 applications and awarding grants under this subdivision, and must develop administrative
247.9 procedures governing the application, evaluation, and award process. In awarding grants
247.10 under this subdivision, the commissioner must endeavor to make awards assisting entities
247.11 from all regions of the state. The maximum grant award for each entity awarded a grant
247.12 under this subdivision is \$250,000.

247.13 (b) The department must provide technical assistance to applicants.

247.14 Subd. 4. **Report.** Beginning February 15, 2024, and each February 15 thereafter until
247.15 the appropriation under article 2, section 2, subdivision 2, paragraph (y), has been expended,
247.16 the commissioner must submit a written report to the chairs and ranking minority members
247.17 of the legislative committees with jurisdiction over energy policy and finance on the activities
247.18 taken and expenditures made under this section. The report must, at a minimum, include
247.19 each grant awarded in the most recent calendar year and the remaining balance of the
247.20 appropriation under this section.

247.21 Sec. 49. **MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

247.22 (a) The initial appointments made under Minnesota Statutes, section 216C.441,
247.23 subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and
247.24 the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10,
247.25 paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

247.26 (b) The governor must make the appointments required under this section no later than
247.27 July 30, 2023.

247.28 (c) The initial meeting of the board of directors must be held no later than September
247.29 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote
247.30 of the members present.

248.1 **Sec. 50. SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

248.2 (a) The commissioner of agriculture may award A grant under this section to a cooperative
248.3 to invest in green fertilizer production facilities. A grant under this section must include a
248.4 long-term agreement to purchase nitrogen fertilizer for cooperative members. Renewable
248.5 energy, hydrogen, and ammonia may be produced elsewhere, but the final production of
248.6 nitrogen fertilizer must occur within Minnesota.

248.7 (b) For purposes of this section:

248.8 (1) "cooperative" includes an agricultural or rural electric cooperative organized under
248.9 Minnesota Statutes, chapter 308A or 308B;

248.10 (2) "green fertilizer production facilities" means facilities that use renewable energy to
248.11 produce anhydrous ammonia, urea, or hydrogen;

248.12 (3) "green hydrogen" means hydrogen produced by splitting water molecules using:

248.13 (i) grid-based electrolyzers that have matched their electricity consumption with wind
248.14 or solar; or

248.15 (ii) electrolyzers connected directly to a wind or solar facility; and

248.16 (4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

248.17 (c) The commissioner of agriculture must develop criteria and scoring procedures for
248.18 evaluating and awarding grants. The maximum grant award for a cooperative is \$7,000,000.

248.19 (d) Up to five percent of the amount in paragraph (a) may be used by the Department
248.20 of Agriculture to administer this section.

248.21 (e) By December 15 each year, the commissioner of agriculture must report to the chairs
248.22 and ranking minority members of the legislative committees with jurisdiction over agriculture
248.23 to provide an update on the progress of projects funded by this program. Each report must
248.24 include how much of the amount appropriated has been used, including the amount used
248.25 for administration. The commissioner may include additional information of interest or
248.26 relevance to the legislature. This paragraph expires December 31, 2031.

248.27 (f) By December 15, 2032, the commissioner of agriculture must complete a final report
248.28 to the chairs and ranking minority members of the legislative committees with jurisdiction
248.29 over agriculture regarding the uses and impacts of this program. The final report must
248.30 include a list of the grants awarded, the amount of the appropriation used for administration,
248.31 the amount of green fertilizer produced, and a summary of the economic and environmental
248.32 impacts of this production compared to the production and purchase of conventionally

249.1 produced fertilizer. The commissioner of agriculture may include additional information
249.2 of interest or relevance to the legislature. This paragraph expires December 31, 2032.

249.3 Sec. 51. **REPEALER.**

249.4 Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed.

249.5 **ARTICLE 8**

249.6 **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY RECIPIENTS**

249.7 Section 1. **FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY**
249.8 **RECIPIENTS.**

249.9 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
249.10 meanings given.

249.11 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

249.12 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

249.13 Subd. 2. **Financial information required; determination of ability to perform.** Before
249.14 an agency awards a competitive, legislatively named, single-source, or sole-source grant,
249.15 the agency must assess the risk that a grantee cannot or would not perform the required
249.16 duties. In making this assessment, the agency must review the following information:

249.17 (1) the grantee's history of performing duties similar to those required by the grant,
249.18 whether the size of the grant requires the grantee to perform services at a significantly
249.19 increased scale, and whether the size of the grant will require significant changes to the
249.20 operation of the grantee's organization;

249.21 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
249.22 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
249.23 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
249.24 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
249.25 instead submit the grantee's most recent board-reviewed financial statements and
249.26 documentation of internal controls;

249.27 (3) for a for-profit business, three years of federal and state tax returns, current financial
249.28 statements, certification that the business is not under bankruptcy proceedings, and disclosure
249.29 of any liens on its assets. If a business has not been in business long enough to have three
249.30 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
249.31 has appropriate internal financial controls;

250.1 (4) evidence of registration and good standing with the secretary of state under Minnesota
250.2 Statutes, chapter 317A, or other applicable law;

250.3 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
250.4 financial audit performed by an independent third party in accordance with generally accepted
250.5 accounting principles; and

250.6 (6) certification, provided by the grantee, that none of its principals have been convicted
250.7 of a financial crime.

250.8 Subd. 3. **Additional measures for some grantees.** The agency may require additional
250.9 information and must provide enhanced oversight for grants that have not previously received
250.10 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
250.11 the ability to perform the duties required under the grant on the scale required.

250.12 Subd. 4. **Assistance from administration.** An agency without adequate resources or
250.13 experience to perform obligations under this section may contract with the commissioner
250.14 of administration to perform the agency's duties under this section.

250.15 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
250.16 an appreciable risk that a grantee receiving a competitive, single-source, or sole-source
250.17 grant cannot or would not perform the required duties under the grant agreement, the agency
250.18 must notify the grantee and the commissioner of administration and give the grantee an
250.19 opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's
250.20 concerns within 45 days, the agency must not award the grant.

250.21 Subd. 6. **Legislatively named grantees.** If an agency determines that there is an
250.22 appreciable risk that a grantee receiving a legislatively named grant cannot or would not
250.23 perform the required duties under the grant agreement, the agency must notify the grantee,
250.24 the commissioner of administration, the chair and ranking minority member of the Ways
250.25 and Means Committee in the house of representatives, the chair and ranking minority member
250.26 of the Finance Committee in the senate, and the chairs and ranking minority members of
250.27 the committees in the house of representatives and the senate with primary jurisdiction over
250.28 the bill in which the money for the grant was appropriated. The agency must give the grantee
250.29 an opportunity to respond to the agency's concerns. If the grantee does not satisfy the agency's
250.30 concerns within 45 days, the agency must delay award of the grant until adjournment of the
250.31 next regular or special legislative session.

250.32 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
250.33 other organizations to perform duties required under the grant agreement, the agency must
250.34 be a party to agreements between the grantee and a subgrantee. Before entering agreements

251.1 for subgrants, the agency must perform the financial review required under this section with
251.2 respect to the subgrantees.

251.3 Subd. 8. Effect. The requirements of this section are in addition to other requirements
251.4 imposed by law; the commissioner of administration under Minnesota Statutes, sections
251.5 16B.97 and 16B.98; or agency grant policy."

251.6 Delete the title and insert:

251.7 "A bill for an act
251.8 relating to state government; appropriating money for environment and natural
251.9 resources; appropriating money for energy and commerce; modifying environment
251.10 and natural resources provisions; modifying commissioner's duties; modifying
251.11 provisions for water and soil conservation; prohibiting lead and cadmium in certain
251.12 consumer products; modifying farmed Cervidae provisions; establishing and
251.13 modifying energy, renewable energy, and utility provisions; establishing a
251.14 strengthen Minnesota homes program; modifying report requirements; requiring
251.15 reports; requiring rulemaking; amending Minnesota Statutes 2022, sections
251.16 16B.325, subdivision 2; 16B.58, by adding a subdivision; 16C.135, subdivision
251.17 3; 16C.137, subdivision 1; 35.155, subdivisions 1, 4, 10, 11, 12, by adding
251.18 subdivisions; 35.156, by adding subdivisions; 84.415, subdivision 3; 84.66,
251.19 subdivision 7; 86B.313, subdivision 4; 97A.465, subdivisions 3, 8; 97A.475,
251.20 subdivision 41; 97C.605, subdivisions 1, 2c, 3; 97C.611; 103B.101, subdivisions
251.21 9, 16, by adding a subdivision; 103B.103; 103C.501, subdivisions 1, 4, 5, 6;
251.22 103D.605, subdivision 5; 103F.505; 103F.511, by adding a subdivision; 115.01,
251.23 by adding subdivisions; 115.03, subdivision 1; 115A.1415; 115A.49; 115A.51;
251.24 115A.54, subdivisions 1, 2, 2a; 115A.565, subdivisions 1, 3; 116.07, subdivision
251.25 6; 116C.779, subdivision 1; 116C.7792; 168.27, by adding a subdivision; 171.07,
251.26 by adding a subdivision; 216B.16, subdivision 10; 216B.1641; 216B.1645,
251.27 subdivision 4; 216B.1691, by adding a subdivision; 216B.17, subdivision 1;
251.28 216B.2422, subdivision 2; 216B.62, subdivision 3b; 216C.02, subdivision 1;
251.29 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10,
251.30 11; 297A.94; 325F.072, subdivisions 1, 3, by adding a subdivision; Laws 2023,
251.31 chapter 9, section 19; Laws 2023, chapter 24, section 3; proposing coding for new
251.32 law in Minnesota Statutes, chapters 16B; 65A; 86B; 103B; 103F; 103G; 116;
251.33 116C; 123B; 216B; 216C; 325E; repealing Minnesota Statutes 2022, sections
251.34 16B.24, subdivision 13; 35.155, subdivision 14; 86B.101; 86B.305; 86B.313,
251.35 subdivisions 2, 3; 97C.605, subdivisions 2, 2a, 2b, 5; 103C.501, subdivisions 2,
251.36 3; 115.44, subdivision 9; 116.011; 325E.389; 325E.3891; Minnesota Rules, parts
251.37 6256.0500, subparts 2, 2a, 2b, 4, 5, 6, 7, 8; 8400.0500; 8400.0550; 8400.0600,
251.38 subparts 4, 5; 8400.0900, subparts 1, 2, 4, 5; 8400.1650; 8400.1700; 8400.1750;
251.39 8400.1800; 8400.1900."

251.40 And when so amended the bill do pass. Amendments adopted. Report adopted.

251.41 
251.42 (Committee Chair)

251.43 April 18, 2023.....
251.44 (Date of Committee recommendation)