

1.1 Senator moves to amend S.F. No. 4027 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **STATE DISLOCATED WORKER PROGRAM**

1.5 Section 1. Minnesota Statutes 2023 Supplement, section 116L.17, subdivision 1, is amended
1.6 to read:

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

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

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

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

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

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

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

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

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

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and due to divorce, separation, death, or disability of that person, must now find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota;

(8) is the spouse of a member of the United States armed forces who is on active duty and who meets at least one of the following: (i) has lost employment as a direct result of relocation to accommodate a permanent change in the service member's duty station; or (ii) is unemployed or underemployed and facing barriers to obtaining or upgrading employment;

(9) is an individual with non-work-related injuries or illnesses who does not have a workers' compensation case but needs support to re-enter or remain in the workforce; or

(10) is an adult with a low income, is a recipient of public assistance, or is deficient in basic skills.

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

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

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

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

Sec. 2. REPEALER.

Minnesota Statutes 2022, section 116L.17, subdivision 5, is repealed.

ARTICLE 2

JOB CREATION FUND

Section 1. Minnesota Statutes 2022, section 116J.8748, subdivision 1, is amended to read:

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

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies, and the purchase and installation of equipment and machinery as provided under subdivision 4, paragraph (b), clause (5).

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

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

(h) "New full-time equivalent employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(i) "Persons with disabilities" means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

4.1 (j) "Retained job equivalent" means a full-time equivalent position:

4.2 (1) that existed at the facility prior to the designation as a job creation fund business;
4.3 and

4.4 (2) has expected work hours of at least 2,080 hours annually or the equivalent of
4.5 annualized expected hours of work equal to 2,080 hours of one or more employees.

4.6 (k) "Veteran" means a veteran as defined in section 197.447.

4.7 (l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

4.8 Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 3, is amended
4.9 to read:

4.10 Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To
4.11 receive designation as a Minnesota job creation fund business, a business must satisfy all
4.12 of the following conditions:

4.13 (1) the business is or will be engaged in, within Minnesota, one of the following as its
4.14 primary business activity:

4.15 (i) manufacturing;

4.16 (ii) warehousing;

4.17 (iii) distribution;

4.18 (iv) information technology;

4.19 (v) finance;

4.20 (vi) insurance; or

4.21 (vii) professional or technical services;

4.22 (2) the business must not be primarily engaged in lobbying; gambling; entertainment;
4.23 professional sports; political consulting; leisure; hospitality; or professional services provided
4.24 by attorneys, accountants, business consultants, physicians, or health care consultants, or
4.25 primarily engaged in making retail sales to purchasers who are physically present at the
4.26 business's location;

4.27 (3) the business must enter into a binding construction and job creation business subsidy
4.28 agreement with the commissioner to expend directly, or ensure expenditure by or in
4.29 partnership with a third party constructing or managing the project, at least \$500,000 in
4.30 capital investment in a capital investment project that includes a new, expanded, or remodeled

facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time equivalent employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time equivalent employee positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 100 full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or expend at least \$10,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 50 full-time equivalent employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. Certification; benefits. (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

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

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

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

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and 100 new full-time equivalent employees in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment and 50 new full-time equivalent employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 100 retained full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained full-time equivalent employees for projects located outside the metropolitan area; and

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

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b), clause (4), a job creation award of \$2,000 per full-time equivalent job retained job may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time equivalent jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance

outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

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

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

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

Sec. 4. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. Job creation award. (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new full-time equivalent job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each full-time equivalent job retained and maintained under subdivision 4,

paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

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

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

ARTICLE 3

INNOVATIVE BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM

Section 1. Minnesota Statutes 2022, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, ~~including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, and to construct, furnish, and equip public infrastructure required to support an eligible project.~~ The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. ~~The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.~~

(b) The amount of a grant may not exceed ~~the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.~~

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new innovative businesses and organizations.

Sec. 2. Minnesota Statutes 2022, section 116J.435, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include ~~the following information~~ in its application a resolution

10.1 certifying that the money required to be supplied by the local governmental unit to complete
10.2 the public infrastructure project is available and committed. The commissioner must evaluate
10.3 complete applications for eligible projects using the following criteria:

10.4 ~~(1) a resolution of its governing body certifying that the money required to be supplied~~
10.5 ~~by the local governmental unit to complete the public infrastructure is available and~~
10.6 ~~committed~~ the project is an eligible project as defined under subdivision 2;

10.7 ~~(2) a detailed estimate, along with necessary supporting evidence, of the total development~~
10.8 ~~costs for the public infrastructure and eligible project~~ the project is expected to result in or
10.9 will attract substantial public and private capital investment and provide substantial economic
10.10 benefit to the county or city in which the project would be located;

10.11 ~~(3) an assessment of the potential or likely use of the site for innovative business activities~~
10.12 ~~after completion of the public infrastructure and eligible project~~ the project is not relocating
10.13 substantially the same operation from another location in the state, unless the commissioner
10.14 determines the project cannot be reasonably accommodated within the county or city in
10.15 which the business is currently located, or the business would otherwise relocate to another
10.16 state; and

10.17 ~~(4) a timeline indicating the major milestones of the public infrastructure and eligible~~
10.18 ~~project and their anticipated completion dates;~~ the project is expected to create or retain
10.19 full-time jobs.

10.20 ~~(5) a commitment from the governing body to repay the grant if the milestones are not~~
10.21 ~~realized by the completion date identified in clause (4); and~~

10.22 ~~(6) any additional information or material the commissioner prescribes.~~

10.23 (b) The determination of whether to make a grant ~~under subdivision 3~~ for a site is within
10.24 the discretion of the commissioner, subject to this section. The commissioner's decisions
10.25 and application of the ~~priorities~~ criteria are not subject to judicial review, except for abuse
10.26 of discretion.

10.27 **Sec. 3. REPEALER.**

10.28 Minnesota Statutes 2022, section 116J.435, subdivision 5, is repealed.

11.1 **ARTICLE 4**

11.2 **ENERGY TRANSITION ADVISORY COMMITTEE**

11.3 Section 1. Minnesota Statutes 2022, section 116J.5492, subdivision 2, is amended to read:

11.4 Subd. 2. **Membership.** (a) The advisory committee consists of 18 voting members and
11.5 eight ex officio nonvoting members.

11.6 (b) The voting members of the advisory committee are appointed by the commissioner
11.7 of employment and economic development, except as specified below:

11.8 (1) two members of the senate, one appointed by the majority leader of the senate and
11.9 one appointed by the minority leader of the senate;

11.10 (2) two members of the house of representatives, one appointed by the speaker of the
11.11 house of representatives and one appointed by the minority leader of the house of
11.12 representatives;

11.13 (3) one representative of the Prairie Island Indian community;

11.14 (4) four representatives of impacted communities, of which two must represent counties
11.15 and two must represent municipalities, and, to the extent possible, of the impacted facilities
11.16 in those communities, at least one must be a coal plant, at least one must be a nuclear plant,
11.17 and at least one must be a natural gas plant;

11.18 (5) three representatives of impacted workers at impacted facilities;

11.19 (6) one representative of impacted workers employed by companies that, under contract,
11.20 regularly perform construction, maintenance, or repair work at an impacted facility;

11.21 (7) one representative with professional economic development or workforce retraining
11.22 experience;

11.23 (8) two representatives of utilities that operate an impacted facility;

11.24 (9) one representative from a nonprofit organization with expertise and experience
11.25 delivering energy efficiency and conservation programs; ~~and~~

11.26 (10) one representative of a school district facing revenue loss due to energy transition;
11.27 and

11.28 ~~(10)~~ (11) one representative from the Coalition of Utility Cities.

11.29 (c) The ex officio nonvoting members of the advisory committee consist of:

11.30 (1) the governor or the governor's designee;

- 12.1 (2) the commissioner of employment and economic development or the commissioner's
12.2 designee;
- 12.3 (3) the commissioner of commerce or the commissioner's designee;
- 12.4 (4) the commissioner of labor and industry or the commissioner's designee;
- 12.5 (5) the commissioner of revenue or the commissioner's designee;
- 12.6 (6) the executive secretary of the Public Utilities Commission or the secretary's designee;
- 12.7 (7) the commissioner of the Pollution Control Agency or the commissioner's designee;
- 12.8 and
- 12.9 (8) the chancellor of the Minnesota State Colleges and Universities or the chancellor's
12.10 designee.

12.11 **ARTICLE 5**
12.12 **TECHNICAL CHANGES**

12.13 Section 1. Laws 2023, chapter 53, article 15, section 32, subdivision 6, is amended to
12.14 read:

12.15 Subd. 6. **Administrative costs.** The commissioner of employment and economic
12.16 development may use up to one percent of the appropriation made for this section for
12.17 administrative expenses of the department. Of this amount, the Northland Foundation may
12.18 use up to five percent for administrative expenses.

12.19 Sec. 2. **LAUNCH MINNESOTA 2023 APPROPRIATION.**

12.20 The appropriation for Launch Minnesota in Laws 2023, chapter 53, article 20, section
12.21 2, subdivision 2, paragraph (c), is available until June 30, 2027."

12.22 Delete the title and insert:

12.23 "A bill for an act
12.24 relating to economic development; making policy and technical changes to
12.25 programs under the Department of Employment and Economic Development;
12.26 expanding the state dislocated worker program; modifying the job creation fund,
12.27 Innovative Business Development Public Infrastructure Grant Program, and energy
12.28 transition advisory committee; amending Minnesota Statutes 2022, sections
12.29 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8748, subdivision 1;
12.30 Minnesota Statutes 2023 Supplement, sections 116J.8748, subdivisions 3, 4, 6;
12.31 116L.17, subdivision 1; Laws 2023, chapter 53, article 15, section 32, subdivision
12.32 6; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116L.17,
12.33 subdivision 5."