

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2101

(SENATE AUTHORS: TOMASSONI)

DATE	D-PG	OFFICIAL STATUS
04/17/2015		Introduction and first reading Referred to Finance

A bill for an act

1.1 relating to state government; appropriating money for agriculture, environment,
1.2 natural resources, jobs, and economic development; providing for animal health
1.3 and agricultural utilization research; making policy and technical changes
1.4 to various agricultural related provisions, including provisions related to
1.5 pesticide control, plant protection, nursery law, seeds, and loans; modifying
1.6 license exclusions for the direct sale of certain prepared food; establishing the
1.7 Agriculture Research, Education, Extension, and Technology Transfer Board;
1.8 establishing the Industrial Hemp Development Act; providing for incentive
1.9 payments and grants; modifying disposition of certain revenue; providing for
1.10 pilot programs; establishing the farm opportunity loan program; modifying
1.11 fee provisions; creating accounts; modifying recreational vehicle provisions;
1.12 modifying aquatic invasive species provisions; modifying state park and trail
1.13 provisions; modifying timber and land sale provisions; modifying provisions
1.14 for reclamation of lands; modifying game and fish laws; modifying the Water
1.15 Law; regulating water quality standards; regulating chemicals of high concern
1.16 in children's products; modifying solid waste provisions; making policy
1.17 changes to labor and industry, employment and economic development, Iron
1.18 Range resources, and the Bureau of Mediation Services; requiring studies and
1.19 reports; requiring rulemaking; amending Minnesota Statutes 2014, sections
1.20 13.43, subdivision 6; 13.643, subdivision 1; 13.7411, subdivision 8; 16C.144,
1.21 by adding subdivisions; 18B.01, subdivisions 28, 29; 18B.32, subdivision
1.22 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18G.10, subdivisions 3, 4;
1.23 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18J.01;
1.24 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6;
1.25 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a
1.26 subdivision; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4; 21.85,
1.27 subdivision 2, by adding a subdivision; 21.89, subdivision 2; 41B.03, subdivision
1.28 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3;
1.29 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1,
1.30 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3;
1.31 41B.056, subdivision 2; 41B.06; 60D.215, subdivision 2; 72B.092, subdivision
1.32 1; 80A.84; 84.415, subdivision 7; 84.82, subdivisions 2a, 6; 84.92, subdivisions
1.33 8, 9, 10; 84D.01, by adding a subdivision; 84D.13, subdivision 5; 84D.15,
1.34 subdivision 3; 85.015, by adding a subdivision; 85.055, subdivision 1; 85.32,
1.35 subdivision 1; 86B.401, subdivision 3; 87A.10; 88.6435, subdivision 4; 90.14;
1.36 90.193; 92.45; 93.47, subdivision 3; 93.50; 97A.055, subdivision 4b; 97B.301,
1.37 by adding a subdivision; 97C.301, by adding a subdivision; 103B.101, by adding
1.38 a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a
1.39

2.1 subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 9,
 2.2 12, 14, 15; 103G.2251; 115A.1415, subdivision 16; 115A.557, subdivision 2;
 2.3 115C.09, subdivision 1; 116.07, subdivision 4d; 116.9401; 116.9402; 116.9403;
 2.4 116.9405; 116.9406; 116J.394; 116J.395, subdivision 6; 116J.8738, subdivision
 2.5 3, by adding a subdivision; 116L.05, subdivision 5; 116L.17, subdivision
 2.6 4; 123B.53, subdivision 1; 179A.041, by adding subdivisions; 216B.1694,
 2.7 subdivision 3; 268.035, subdivisions 6, 21b, 26, 30; 268.051, subdivision 7;
 2.8 268.07, subdivisions 2, 3b; 268.085, subdivisions 1, 2; 268.095, subdivisions 1,
 2.9 10; 268.105, subdivisions 3, 7; 268.136, subdivision 1; 268.194, subdivision
 2.10 1; 298.018, subdivision 1; 298.22, subdivisions 1, 3, 4, 5, 6, 10, 11; 298.221;
 2.11 298.2211, subdivision 3; 298.222; 298.223; 298.225, subdivision 2; 298.227;
 2.12 298.28, subdivisions 4, 9a, 9d, 11, 15; 298.292, subdivision 2; 298.293;
 2.13 298.2961, subdivision 3; 326B.092, subdivision 7; 326B.096; 326B.106,
 2.14 subdivision 1, by adding a subdivision; 326B.13, subdivision 8; 326B.986,
 2.15 subdivisions 5, 8; 332.31, subdivisions 3, 6; 341.321; 375.30, subdivision 2;
 2.16 Laws 2014, chapter 308, article 6, section 14, subdivision 5; Laws 2014, chapter
 2.17 312, article 2, section 14; proposing coding for new law in Minnesota Statutes,
 2.18 chapters 13; 17; 28A; 41A; 41B; 80A; 84; 84D; 103B; 103F; 116; 116J; 116L;
 2.19 179; 268A; proposing coding for new law as Minnesota Statutes, chapter 18K;
 2.20 repealing Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9, 10;
 2.21 41A.12, subdivision 4; 84.68; 86B.13, subdivisions 2, 4; 298.298; Laws 2010,
 2.22 chapter 215, article 3, section 3, subdivision 6, as amended.

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

2.24 **ARTICLE 1**

2.25 **AGRICULTURE APPROPRIATIONS**

2.26 Section 1. **AGRICULTURE APPROPRIATIONS.**

2.27 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.28 agencies and for the purposes specified in this article. The appropriations are from the
 2.29 general fund, or another named fund, and are available for the fiscal years indicated
 2.30 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.31 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.32 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.33 year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal
 2.34 year ending June 30, 2015, are effective the day following final enactment.

2.35 **APPROPRIATIONS**
 2.36 **Available for the Year**
 2.37 **Ending June 30**
 2.38 **2016** **2017**

2.39 Sec. 2. **DEPARTMENT OF AGRICULTURE**

2.40 **Subdivision 1. Total Appropriation** **\$** **45,464,000** **\$** **45,118,000**

2.41 **Appropriations by Fund**

2.42 **2016** **2017**

3.1	<u>General</u>	<u>44,086,000</u>	<u>43,740,000</u>
3.2	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
3.3	<u>Agricultural</u>	<u>990,000</u>	<u>990,000</u>

3.4 The amounts that may be spent for each
 3.5 purpose are specified in the following
 3.6 subdivisions.

3.7	<u>Subd. 2. Protection Services</u>	<u>17,958,000</u>	<u>18,677,000</u>
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3.8	<u>Appropriations by Fund</u>		
3.9		<u>2016</u>	<u>2017</u>
3.10	<u>General</u>	<u>17,380,000</u>	<u>18,099,000</u>
3.11	<u>Agricultural</u>	<u>190,000</u>	<u>190,000</u>
3.12	<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

3.13 \$388,000 the first year and \$388,000 the
 3.14 second year are from the remediation fund
 3.15 for administrative funding for the voluntary
 3.16 cleanup program.

3.17 \$300,000 the first year and \$250,000
 3.18 the second year are for compensation
 3.19 for destroyed or crippled animals under
 3.20 Minnesota Statutes, section 3.737. This
 3.21 appropriation may be spent to compensate
 3.22 for animals that were destroyed or crippled
 3.23 during fiscal years 2014 and 2015. If the
 3.24 amount in the first year is insufficient, the
 3.25 amount in the second year is available in the
 3.26 first year.

3.27 \$50,000 the first year and \$50,000 the second
 3.28 year are for compensation for crop damage
 3.29 under Minnesota Statutes, section 3.7371. If
 3.30 the amount in the first year is insufficient, the
 3.31 amount in the second year is available in the
 3.32 first year.

3.33 If the commissioner determines that claims
 3.34 made under Minnesota Statutes, section
 3.35 3.737 or 3.7371, are unusually high, amounts

4.1 appropriated for either program may be
 4.2 transferred to the appropriation for the other
 4.3 program.

4.4 \$225,000 the first year and \$225,000 the
 4.5 second year are for deposit in the noxious
 4.6 weed and invasive plant species assistance
 4.7 account established under Minnesota
 4.8 Statutes, section 18.89, to be used to
 4.9 implement the noxious weed grant program
 4.10 under Minnesota Statutes, section 18.90.

4.11 Notwithstanding Minnesota Statutes, section
 4.12 18B.05, \$90,000 the first year and \$90,000
 4.13 the second year are from the pesticide
 4.14 regulatory account in the agricultural fund
 4.15 for an increase in the operating budget for
 4.16 the Laboratory Services Division.

4.17 \$100,000 the first year and \$100,000 the
 4.18 second year are from the pesticide regulatory
 4.19 account in the agricultural fund to update
 4.20 and modify applicator education and training
 4.21 materials.

4.22 \$3,475,000 the first year and \$4,244,000
 4.23 the second year are for increased protection
 4.24 services.

4.25 **Subd. 3. Agricultural Marketing and**
 4.26 **Development**

1,770,000

820,000

4.27 \$186,000 the first year and \$186,000 the
 4.28 second year are for transfer to the Minnesota
 4.29 grown account and may be used as grants
 4.30 for Minnesota grown promotion under
 4.31 Minnesota Statutes, section 17.102. Grants
 4.32 may be made for one year. Notwithstanding
 4.33 Minnesota Statutes, section 16A.28, the
 4.34 appropriations encumbered under contract
 4.35 on or before June 30, 2017, for Minnesota

5.1 grown grants in this paragraph are available
5.2 until June 30, 2019.

5.3 \$634,000 the first year and \$634,000 the
5.4 second year are for continuation of the dairy
5.5 development and profitability enhancement
5.6 and dairy business planning grant programs
5.7 established under Laws 1997, chapter
5.8 216, section 7, subdivision 2, and Laws
5.9 2001, First Special Session chapter 2,
5.10 section 9, subdivision 2. The commissioner
5.11 may allocate the available sums among
5.12 permissible activities, including efforts to
5.13 improve the quality of milk produced in the
5.14 state in the proportions that the commissioner
5.15 deems most beneficial to Minnesota's
5.16 dairy farmers. The commissioner must
5.17 submit a detailed accomplishment report
5.18 and a work plan detailing future plans for,
5.19 and anticipated accomplishments from,
5.20 expenditures under this program to the
5.21 chairs and ranking minority members of the
5.22 legislative committees with jurisdiction over
5.23 agricultural policy and finance on or before
5.24 the start of each fiscal year. If significant
5.25 changes are made to the plans in the course
5.26 of the year, the commissioner must notify the
5.27 chairs and ranking minority members.

5.28 The commissioner may use money
5.29 appropriated in this subdivision for annual
5.30 cost-share payments to resident farmers
5.31 or entities that sell, process, or package
5.32 agricultural products in this state for the costs
5.33 of organic certification. The commissioner
5.34 may allocate these funds for assistance for
5.35 persons transitioning from conventional to
5.36 organic agriculture.

6.1 \$100,000 the first year is to (1) enhance the
 6.2 commissioner's efforts to identify existing
 6.3 and emerging opportunities for Minnesota's
 6.4 agricultural producers and processors to
 6.5 export their products to Cuba, consistent with
 6.6 federal law, and (2) effectively communicate
 6.7 these opportunities to the producers and
 6.8 processors. This is a onetime appropriation.

6.9 \$350,000 the first year is for grants to
 6.10 communities to develop or expand food
 6.11 hubs and other alternative community-based
 6.12 food distribution systems. Of this amount,
 6.13 \$50,000 is for the commissioner to consult
 6.14 with existing food hubs, alternative
 6.15 community-based food distribution systems,
 6.16 and University of Minnesota Extension
 6.17 to identify best practices for use by other
 6.18 Minnesota communities. No later than
 6.19 December 15, 2015, the commissioner must
 6.20 report to the legislative committees with
 6.21 jurisdiction over agriculture and health
 6.22 regarding the status of emerging alternative
 6.23 community-based food distribution systems
 6.24 in the state along with recommendations to
 6.25 eliminate any barriers to success. This is a
 6.26 onetime appropriation.

6.27 \$500,000 the first year is for urban
 6.28 agriculture development grants under
 6.29 Minnesota Statutes, section 17.1095. This is
 6.30 a onetime appropriation.

6.31 Subd. 4. **Bioenergy and Value-Added**
 6.32 **Agriculture**

7,235,000

7,235,000

6.33 \$6,235,000 the first year and \$6,235,000
 6.34 the second year are for the agricultural
 6.35 growth, research, and innovation program
 6.36 in Minnesota Statutes, section 41A.12. No

7.1 later than February 1, 2016, and February
7.2 1, 2017, the commissioner must report to
7.3 the legislative committees with jurisdiction
7.4 over agriculture policy and finance regarding
7.5 the commissioner's accomplishments
7.6 and anticipated accomplishments in
7.7 the following areas: facilitating the
7.8 start-up, modernization, or expansion of
7.9 livestock operations including beginning
7.10 and transitioning livestock operations;
7.11 developing new markets for Minnesota
7.12 farmers by providing more fruits, vegetables,
7.13 meat, grain, and dairy for Minnesota school
7.14 children; assisting value-added agricultural
7.15 businesses to begin or expand, access new
7.16 markets, or diversify products; facilitating
7.17 the start-up, modernization, or expansion
7.18 of other beginning and transitioning farms,
7.19 including loans under Minnesota Statutes,
7.20 section 41B.056; research on conventional
7.21 and cover crops; sustainable agriculture
7.22 on farm research and demonstration; and
7.23 research on bioenergy, biobased content,
7.24 or biobased formulated products and other
7.25 renewable energy development.

7.26 The commissioner may use up to 4.5 percent
7.27 of this appropriation for costs incurred to
7.28 administer the program. Any unencumbered
7.29 balance does not cancel at the end of the first
7.30 year and is available for the second year.

7.31 Notwithstanding Minnesota Statutes, section
7.32 16A.28, the appropriations encumbered
7.33 under contract on or before June 30, 2017, for
7.34 agricultural growth, research, and innovation
7.35 grants in this subdivision are available until
7.36 June 30, 2019.

8.1 Money appropriated in this subdivision may
8.2 be used for grants under this paragraph.
8.3 The NextGen Energy Board, established in
8.4 Minnesota Statutes, section 41A.105, shall
8.5 make recommendations to the commissioner
8.6 on grants for owners of Minnesota facilities
8.7 producing bioenergy, biobased content,
8.8 or a biobased formulated product; for
8.9 organizations that provide for on-station,
8.10 on-farm field scale research and outreach to
8.11 develop and test the agronomic and economic
8.12 requirements of diverse strands of prairie
8.13 plants and other perennials for bioenergy
8.14 systems; or for certain nongovernmental
8.15 entities. For the purposes of this paragraph,
8.16 "bioenergy" includes transportation fuels
8.17 derived from cellulosic material, as well as
8.18 the generation of energy for commercial heat,
8.19 industrial process heat, or electrical power
8.20 from cellulosic materials via gasification or
8.21 other processes. Grants are limited to 50
8.22 percent of the cost of research, technical
8.23 assistance, or equipment related to bioenergy,
8.24 biobased content, or biobased formulated
8.25 product production or \$500,000, whichever
8.26 is less. Grants to nongovernmental entities
8.27 for the development of business plans and
8.28 structures related to community ownership
8.29 of eligible bioenergy facilities together may
8.30 not exceed \$150,000. The board shall make
8.31 a good-faith effort to select projects that have
8.32 merit and, when taken together, represent a
8.33 variety of bioenergy technologies, biomass
8.34 feedstocks, and geographic regions of the
8.35 state. Projects must have a qualified engineer
8.36 provide certification on the technology and

9.1 fuel source. Grantees must provide reports at
9.2 the request of the commissioner.

9.3 Notwithstanding Minnesota Statutes, section
9.4 41A.12, subdivision 3, of the amount
9.5 appropriated in this subdivision, \$1,000,000
9.6 the first year and \$1,000,000 the second year
9.7 are for distribution in equal amounts to each
9.8 of the state's county fairs to preserve and
9.9 promote Minnesota agriculture.

9.10 Of the amount appropriated in this
9.11 subdivision, up to \$2,500,000 the first
9.12 year and \$2,500,000 the second year are
9.13 for incentive payments under Minnesota
9.14 Statutes, sections 41A.14, 41A.15, and
9.15 41A.16. Up to 4.5 percent of the amount
9.16 available under this paragraph may be used
9.17 for administration of the incentive payments.

9.18 **Subd. 5. Administration and Financial**
9.19 **Assistance**

15,448,000

15,333,000

9.20 Appropriations by Fund

9.21	<u>2016</u>	<u>2017</u>
9.22	<u>14,648,000</u>	<u>14,533,000</u>
9.23	<u>800,000</u>	<u>800,000</u>

9.24 \$47,000 the first year and \$47,000 the second
9.25 year are for the Northern Crops Institute.

9.26 These appropriations may be spent to
9.27 purchase equipment.

9.28 \$18,000 the first year and \$18,000 the
9.29 second year are for a grant to the Minnesota
9.30 Livestock Breeders Association.

9.31 \$235,000 the first year and \$235,000 the
9.32 second year are for grants to the Minnesota
9.33 Agricultural Education and Leadership
9.34 Council for programs of the council under
9.35 Minnesota Statutes, chapter 41D.

10.1 \$474,000 the first year and \$474,000 the
10.2 second year are for payments to county and
10.3 district agricultural societies and associations
10.4 under Minnesota Statutes, section 38.02,
10.5 subdivision 1. Aid payments to county and
10.6 district agricultural societies and associations
10.7 shall be disbursed no later than July 15 of
10.8 each year. These payments are the amount of
10.9 aid from the state for an annual fair held in
10.10 the previous calendar year.

10.11 \$1,000 the first year and \$1,000 the second
10.12 year are for grants to the Minnesota State
10.13 Poultry Association.

10.14 \$108,000 the first year and \$108,000 the
10.15 second year are for annual grants to the
10.16 Minnesota Turf Seed Council for basic
10.17 and applied research on: (1) the improved
10.18 production of forage and turf seed related to
10.19 new and improved varieties; and (2) native
10.20 plants, including plant breeding, nutrient
10.21 management, pest management, disease
10.22 management, yield, and viability. The grant
10.23 recipient may subcontract with a qualified
10.24 third party for some or all of the basic or
10.25 applied research.

10.26 \$500,000 the first year and \$500,000 the
10.27 second year are for grants to Second Harvest
10.28 Heartland on behalf of Minnesota's six
10.29 Second Harvest food banks for the purchase
10.30 of milk for distribution to Minnesota's food
10.31 shelves and other charitable organizations
10.32 that are eligible to receive food from the food
10.33 banks. Milk purchased under the grants must
10.34 be acquired from Minnesota milk processors
10.35 and based on low-cost bids. The milk must be

11.1 allocated to each Second Harvest food bank
11.2 serving Minnesota according to the formula
11.3 used in the distribution of United States
11.4 Department of Agriculture commodities
11.5 under The Emergency Food Assistance
11.6 Program (TEFAP). Second Harvest
11.7 Heartland must submit quarterly reports
11.8 to the commissioner on forms prescribed
11.9 by the commissioner. The reports must
11.10 include, but are not limited to, information
11.11 on the expenditure of funds, the amount
11.12 of milk purchased, and the organizations
11.13 to which the milk was distributed. Second
11.14 Harvest Heartland may enter into contracts
11.15 or agreements with food banks for shared
11.16 funding or reimbursement of the direct
11.17 purchase of milk. Each food bank receiving
11.18 money from this appropriation may use up to
11.19 two percent of the grant for administrative
11.20 expenses.

11.21 \$500,000 the first year and \$500,000 the
11.22 second year are for grants to Second Harvest
11.23 Heartland on behalf of the six Feeding
11.24 America food banks that serve Minnesota
11.25 to compensate agricultural producers and
11.26 processors for costs incurred to harvest
11.27 and package for transfer surplus fruits,
11.28 vegetables, or other agricultural commodities
11.29 that would otherwise go unharvested, be
11.30 discarded, or be sold in a secondary market.

11.31 Surplus commodities must be distributed
11.32 statewide to food shelves and other charitable
11.33 organizations that are eligible to receive
11.34 food from the food banks. Surplus food
11.35 acquired under this appropriation must be
11.36 from Minnesota producers and processors.

12.1 Second Harvest Heartland must report when
12.2 required by, and in the form prescribed
12.3 by, the commissioner. Second Harvest
12.4 Heartland may use up to 11 percent of any
12.5 grant received for administrative expenses,
12.6 and up to four percent to reimburse for
12.7 transportation expenses.

12.8 \$94,000 the first year and \$94,000 the
12.9 second year are for transfer to the Board of
12.10 Trustees of the Minnesota State Colleges
12.11 and Universities for statewide mental health
12.12 counseling support to farm families and
12.13 business operators through farm business
12.14 management programs at Central Lakes
12.15 College and Ridgewater College.

12.16 \$17,000 the first year and \$17,000 the
12.17 second year are for grants to the Minnesota
12.18 Horticultural Society.

12.19 \$25,000 the first year is for the livestock
12.20 industry study required in this act. This is a
12.21 onetime appropriation.

12.22 Notwithstanding Minnesota Statutes,
12.23 section 18C.131, \$800,000 the first year
12.24 and \$800,000 the second year are from the
12.25 fertilizer account in the agricultural fund
12.26 for grants for fertilizer research as awarded
12.27 by the Minnesota Agricultural Fertilizer
12.28 Research and Education Council under
12.29 Minnesota Statutes, section 18C.71. The
12.30 amount appropriated in either fiscal year
12.31 must not exceed 57 percent of the inspection
12.32 fee revenue collected under Minnesota
12.33 Statutes, section 18C.425, subdivision 6,
12.34 during the previous fiscal year. No later
12.35 than February 1, 2017, the commissioner

13.1 shall report to the legislative committees
13.2 with jurisdiction over agriculture finance.
13.3 The report must include the progress and
13.4 outcome of funded projects as well as the
13.5 sentiment of the council concerning the need
13.6 for additional research funds.
13.7 \$8,000,000 the first year and \$8,000,000
13.8 the second year are for transfer to the fund
13.9 created in Minnesota Statutes, section
13.10 41A.18, subdivision 2. Of these amounts:
13.11 (1) at least \$2,000,000 each year is for
13.12 agriculture rapid response under Minnesota
13.13 Statutes, section 41A.18, subdivision 1,
13.14 clause (2); and
13.15 (2) at least \$1,000,000 each year is for
13.16 agricultural education under Minnesota
13.17 Statutes, section 41A.18, subdivision 1,
13.18 clause (3).
13.19 To the extent practicable, funds expended
13.20 under Minnesota Statutes, section 41A.18,
13.21 subdivision 1, clauses (1) and (2), must
13.22 supplement and not supplant existing sources
13.23 and levels of funding.
13.24 \$300,000 the first year is for grants to the
13.25 director of the University of Minnesota
13.26 Extension for a grant program to expand
13.27 the Takeoff 4-H Science, Technology,
13.28 Engineering, Arts, and Mathematics
13.29 (STEAM) Club for Somali youth throughout
13.30 Minnesota. The University of Minnesota
13.31 Extension may use a portion of each grant for
13.32 grant administration and direct costs related
13.33 to the Takeoff 4-H STEAM partnership
13.34 between the University of Minnesota
13.35 Extension and Ka Joog.

14.1	Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	\$	<u>5,318,000</u>	\$	<u>5,384,000</u>
14.2	Sec. 4. <u>AGRICULTURAL UTILIZATION</u>				
14.3	<u>RESEARCH INSTITUTE</u>	\$	<u>2,643,000</u>	\$	<u>2,643,000</u>
14.4	Sec. 5. <u>AVIAN INFLUENZA EMERGENCY</u>				
14.5	<u>RESPONSE</u>	\$	<u>893,000</u>	\$	<u>-0-</u>
14.6	<u>\$514,000 in fiscal year 2015 is to the</u>				
14.7	<u>commissioner of agriculture for the costs</u>				
14.8	<u>of avian influenza emergency response</u>				
14.9	<u>activities not covered by federal funding.</u>				
14.10	<u>This is a onetime appropriation and is</u>				
14.11	<u>available until June 30, 2016.</u>				
14.12	<u>\$379,000 in fiscal year 2015 is to the Board</u>				
14.13	<u>of Animal Health for the costs of avian</u>				
14.14	<u>influenza emergency response activities not</u>				
14.15	<u>covered by federal funding. This is a onetime</u>				
14.16	<u>appropriation and is available until June 30,</u>				
14.17	<u>2016.</u>				

ARTICLE 2

AGRICULTURE STATUTORY CHANGES

14.20 Section 1. Minnesota Statutes 2014, section 13.643, subdivision 1, is amended to read:

14.21 Subdivision 1. **Department of Agriculture data.** (a) **Loan and grant applicant**
 14.22 **data.** The following data on applicants, collected by the Department of Agriculture in its
 14.23 sustainable agriculture revolving loan and grant programs under ~~sections 17.115 and~~ section
 14.24 17.116, are private or nonpublic: nonfarm income; credit history; insurance coverage;
 14.25 machinery and equipment list; financial information; and credit information requests.

14.26 (b) **Farm advocate data.** The following data supplied by farmer clients to
 14.27 Minnesota farm advocates and to the Department of Agriculture are private data on
 14.28 individuals: financial history, including listings of assets and debts, and personal and
 14.29 emotional status information.

14.30 Sec. 2. [17.1095] PILOT URBAN AGRICULTURE DEVELOPMENT GRANTS.

14.31 Subdivision 1. **Establishment.** (a) The commissioner shall establish and administer
 14.32 a pilot grant program to provide financial and technical assistance to cities, organizations,

15.1 or individuals for urban agriculture projects. Grant applications must be submitted to the
 15.2 commissioner on forms provided by the commissioner. The commissioner shall award
 15.3 grants to meritorious projects within the limits of available funding.

15.4 (b) For purposes of this section, "eligible city" means a Minnesota home rule or
 15.5 statutory city located in:

15.6 (1) the seven-county metropolitan area, as defined under section 473.121,
 15.7 subdivision 2; or

15.8 (2) the core county or counties of a metropolitan statistical area.

15.9 (c) The commissioner shall take steps to ensure that eligible organizations serving
 15.10 ethnic communities are made aware of the grant and that they are encouraged to apply.

15.11 Subd. 2. **Grants to organizations or individuals.** The commissioner shall solicit
 15.12 grant applications from individuals and organizations for projects located in urban
 15.13 agriculture development zones in eligible cities. The commissioner shall rank applications
 15.14 based on the project's ability to:

15.15 (1) increase fresh food access, including access to affordable organic foods,
 15.16 to improve both local and regional food security through the development of urban
 15.17 agriculture projects; and

15.18 (2) reduce or eliminate health disparities related to food access.

15.19 Subd. 3. **Grants to cities.** The commissioner shall solicit grant applications from
 15.20 eligible cities that have adopted a zoning ordinance that designates urban agriculture
 15.21 development zones. Applicant cities must certify to the commissioner that the ordinance
 15.22 will remain in effect for at least ten years and must repay any grant funds received under
 15.23 this section if the ordinance is repealed or amended to prohibit urban agriculture during
 15.24 the ten-year period.

15.25 Subd. 4. **Expiration.** This section expires July 1, 2018.

15.26 Sec. 3. Minnesota Statutes 2014, section 18B.01, subdivision 28, is amended to read:

15.27 Subd. 28. **Structural pest.** "Structural pest" means ~~a~~ an invertebrate pest, other
 15.28 than a plant, or commensal rodent in, on, under, or near a structure such as a residential
 15.29 or commercial building.

15.30 Sec. 4. Minnesota Statutes 2014, section 18B.01, subdivision 29, is amended to read:

15.31 Subd. 29. **Structural pest control.** "Structural pest control" means the control of
 15.32 any structural pest through the ~~use of a device, a procedure, or~~ application of pesticides or
 15.33 through other means in or around a building or other structures, including trucks, boxcars,

16.1 ships, aircraft, docks, and fumigation vaults, ~~and the business activity related to use of a~~
 16.2 ~~device, a procedure, or application of a pesticide.~~

16.3 Sec. 5. Minnesota Statutes 2014, section 18B.32, subdivision 1, is amended to read:

16.4 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest
 16.5 control applications:

16.6 (1) for hire without a structural pest control license; and

16.7 (2) as a sole proprietorship, company, partnership, or corporation unless the person
 16.8 is or employs a licensed master in structural pest control operations.

16.9 (b) A structural pest control licensee must have a valid license identification card
 16.10 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
 16.11 display it upon demand by an authorized representative of the commissioner or a law
 16.12 enforcement officer. The license identification card must contain information required by
 16.13 the commissioner.

16.14 (c) ~~Notwithstanding the licensing requirements of this subdivision, a person may~~
 16.15 ~~control the following nuisance or economically damaging wild animals, by trapping,~~
 16.16 ~~without a structural pest control license:~~

16.17 (1) ~~fur-bearing animals, as defined in section 97A.015, with a valid trapping license~~
 16.18 ~~or special permit from the commissioner of natural resources; and~~

16.19 (2) ~~skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.~~

16.20 Sec. 6. Minnesota Statutes 2014, section 18B.33, subdivision 1, is amended to read:

16.21 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire
 16.22 without a commercial applicator license for the appropriate use categories or a structural
 16.23 pest control license.

16.24 (b) A commercial applicator licensee must have a valid license identification card
 16.25 ~~when applying to purchase a restricted use pesticide or apply pesticides for hire and must~~
 16.26 display it upon demand by an authorized representative of the commissioner or a law
 16.27 enforcement officer. The commissioner shall prescribe the information required on the
 16.28 license identification card.

16.29 Sec. 7. Minnesota Statutes 2014, section 18B.34, subdivision 1, is amended to read:

16.30 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator,
 16.31 certified private applicator, or licensed structural pest control applicator, a person,
 16.32 including a government employee, may not purchase or use a restricted use pesticide in

17.1 performance of official duties without having a noncommercial applicator license for an
17.2 appropriate use category.

17.3 (b) A licensee must have a valid license identification card when applying pesticides
17.4 and must display it upon demand by an authorized representative of the commissioner
17.5 or a law enforcement officer. The license identification card must contain information
17.6 required by the commissioner.

17.7 Sec. 8. Minnesota Statutes 2014, section 18G.10, subdivision 3, is amended to read:

17.8 Subd. 3. **Cooperative agreements.** The commissioner may enter into cooperative
17.9 agreements with federal and state agencies for administration of the export certification
17.10 program. ~~An exporter of plants or plant products desiring to originate shipments from~~
17.11 ~~Minnesota to a foreign country requiring a phytosanitary certificate or export certificate~~
17.12 ~~must submit an application to the commissioner.~~

17.13 Sec. 9. Minnesota Statutes 2014, section 18G.10, subdivision 4, is amended to read:

17.14 Subd. 4. **Phytosanitary and export certificates.** An exporter of plants or plant
17.15 products desiring to originate shipments from Minnesota to a foreign country requiring
17.16 a phytosanitary certificate or export certificate must submit an application to the
17.17 commissioner. Application for phytosanitary certificates or export certificates must be
17.18 made on forms provided or approved by the commissioner. The commissioner ~~shall~~ may
17.19 conduct inspections of plants, plant products, or facilities for persons that have applied for
17.20 or intend to apply for a phytosanitary certificate or export certificate from the commissioner.
17.21 ~~Inspections must include one or more of the following as requested or required:~~

17.22 (1) ~~an inspection of the plants or plant products intended for export under a~~
17.23 ~~phytosanitary certificate or export certificate;~~

17.24 (2) ~~field inspections of growing plants to determine presence or absence of plant~~
17.25 ~~diseases, if necessary;~~

17.26 (3) ~~laboratory diagnosis for presence or absence of plant diseases, if necessary;~~

17.27 (4) ~~observation and evaluation of procedures and facilities utilized in handling~~
17.28 ~~plants and plant products, if necessary; and~~

17.29 (5) ~~review of United States Department of Agriculture, Federal Grain Inspection~~
17.30 ~~Service Official Export Grain Inspection Certificate logs.~~

17.31 The commissioner may issue a phytosanitary certificate or export certificate if the
17.32 plants or plant products satisfactorily meet the requirements of the importing foreign
17.33 country and the United States Department of Agriculture requirements. The requirements
17.34 of the destination countries must be met by the applicant.

18.1 Sec. 10. Minnesota Statutes 2014, section 18H.02, subdivision 20, is amended to read:

18.2 Subd. 20. **Nursery stock.** "Nursery stock" means a plant intended for planting or
18.3 propagation, including, but not limited to, trees, shrubs, vines, perennials, biennials, grafts,
18.4 cuttings, and buds that may be sold for propagation, whether cultivated or wild, and all
18.5 viable parts of these plants. Nursery stock does not include:

- 18.6 (1) field and forage crops or sod;
- 18.7 (2) ~~the seeds of grasses, cereal grains, vegetable crops, and flowers~~;
- 18.8 (3) vegetable plants, bulbs, or tubers;
- 18.9 (4) cut flowers, unless stems or other portions are intended for propagation;
- 18.10 (5) annuals; or
- 18.11 (6) Christmas trees.

18.12 Sec. 11. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
18.13 to read:

18.14 Subd. 32a. **Sod.** "Sod" means the upper portion of soil that contains the roots of
18.15 grasses and the living grass plants.

18.16 Sec. 12. Minnesota Statutes 2014, section 18H.02, is amended by adding a subdivision
18.17 to read:

18.18 Subd. 35. **Tropical plant.** "Tropical plant" means a plant that has a United States
18.19 Department of Agriculture hardiness zone designation of zone 6 or greater, or an annual
18.20 minimum hardiness temperature of -9 degrees Fahrenheit.

18.21 Sec. 13. Minnesota Statutes 2014, section 18H.06, subdivision 2, is amended to read:

18.22 Subd. 2. **Occasional sales.** (a) An individual may offer nursery stock for sale and be
18.23 exempt from the requirement to obtain a nursery stock ~~dealer~~ certificate if:

- 18.24 (1) the gross sales of all nursery stock in a calendar year do not exceed \$2,000;
- 18.25 (2) all nursery stock sold or distributed by the individual is intended for planting
18.26 in Minnesota;
- 18.27 (3) all nursery stock purchased or procured for resale or distribution was grown in
18.28 Minnesota and has been certified by the commissioner; and
- 18.29 (4) conducts sales or distributions of nursery stock on ten or fewer days in a calendar
18.30 year.

18.31 (b) The commissioner may prescribe the conditions of the exempt nursery sales under
18.32 this subdivision and may conduct routine inspections of the nursery stock offered for sale.

19.1 Sec. 14. Minnesota Statutes 2014, section 18J.01, is amended to read:

19.2 **18J.01 DEFINITIONS.**

19.3 (a) The definitions in sections 18G.02, 18H.02, 18K.03, 27.01, 223.16, 231.01,
19.4 and 232.21 apply to this chapter.

19.5 (b) For purposes of this chapter, "associated rules" means rules adopted under this
19.6 chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232, or sections 21.80 to 21.92.

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

19.8 Sec. 15. Minnesota Statutes 2014, section 18J.02, is amended to read:

19.9 **18J.02 DUTIES OF COMMISSIONER.**

19.10 The commissioner shall administer and enforce this chapter, chapters 18G, 18H,
19.11 18K, 27, 223, 231, and 232; sections 21.80 to 21.92; and associated rules.

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

19.13 Sec. 16. Minnesota Statutes 2014, section 18J.03, is amended to read:

19.14 **18J.03 CIVIL LIABILITY.**

19.15 A person regulated by this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or 232,
19.16 or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or
19.17 associated rules by the person's employee or agent.

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

19.19 Sec. 17. Minnesota Statutes 2014, section 18J.04, subdivision 1, is amended to read:

19.20 Subdivision 1. **Access and entry.** The commissioner, upon presentation of official
19.21 department credentials, must be granted immediate access at reasonable times to sites
19.22 where a person manufactures, distributes, uses, handles, disposes of, stores, or transports
19.23 seeds, plants, grain, household goods, general merchandise, produce, or other living or
19.24 nonliving products or other objects regulated under chapter 18G, 18H, 18K, 27, 223, 231,
19.25 or 232; sections 21.80 to 21.92; or associated rules.

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

19.27 Sec. 18. Minnesota Statutes 2014, section 18J.04, subdivision 2, is amended to read:

19.28 Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

20.1 (1) inspection of inventory and equipment for the manufacture, storage, handling,
 20.2 distribution, disposal, or any other process regulated under chapter 18G, 18H, 18K, 27,
 20.3 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

20.4 (2) sampling of sites, seeds, plants, products, grain, household goods, general
 20.5 merchandise, produce, or other living or nonliving objects that are manufactured, stored,
 20.6 distributed, handled, or disposed of at those sites and regulated under chapter 18G, 18H,
 20.7 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

20.8 (3) inspection of records related to the manufacture, distribution, storage, handling,
 20.9 or disposal of seeds, plants, products, grain, household goods, general merchandise,
 20.10 produce, or other living or nonliving objects regulated under chapter 18G, 18H, 18K, 27,
 20.11 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

20.12 (4) investigating compliance with chapter 18G, 18H, 18K, 27, 223, 231, or 232;
 20.13 sections 21.80 to 21.92; or associated rules; or

20.14 (5) other purposes necessary to implement chapter 18G, 18H, 18K, 27, 223, 231, or
 20.15 232; sections 21.80 to 21.92; or associated rules.

20.16 (b) The commissioner may enter any public or private premises during or after
 20.17 regular business hours without notice of inspection when a suspected violation of chapter
 20.18 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules may
 20.19 threaten public health or the environment.

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

20.21 Sec. 19. Minnesota Statutes 2014, section 18J.04, subdivision 3, is amended to read:

20.22 Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall
 20.23 provide the owner, operator, or agent in charge with a receipt describing any samples
 20.24 obtained. If requested, the commissioner shall split any samples obtained and provide
 20.25 them to the owner, operator, or agent in charge. If an analysis is made of the samples,
 20.26 a copy of the results of the analysis must be furnished to the owner, operator, or agent
 20.27 in charge within 30 days after an analysis has been performed. If an analysis is not
 20.28 performed, the commissioner must notify the owner, operator, or agent in charge within 30
 20.29 days of the decision not to perform the analysis.

20.30 (b) The sampling and analysis must be done according to methods provided for
 20.31 under applicable provisions of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections
 20.32 21.80 to 21.92; or associated rules. In cases not covered by those sections and methods
 20.33 or in cases where methods are available in which improved applicability has been
 20.34 demonstrated the commissioner may adopt appropriate methods from other sources.

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

21.2 Sec. 20. Minnesota Statutes 2014, section 18J.04, subdivision 4, is amended to read:

21.3 Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation
21.4 of chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated
21.5 rules has occurred may request an inspection by giving notice to the commissioner of the
21.6 violation. The notice must be in writing, state with reasonable particularity the grounds
21.7 for the notice, and be signed by the person making the request.

21.8 (b) If after receiving a notice of violation the commissioner reasonably believes that
21.9 a violation has occurred, the commissioner shall make a special inspection in accordance
21.10 with the provisions of this section as soon as practicable, to determine if a violation has
21.11 occurred.

21.12 (c) An inspection conducted pursuant to a notice under this subdivision may cover
21.13 an entire site and is not limited to the portion of the site specified in the notice. If the
21.14 commissioner determines that reasonable grounds to believe that a violation occurred
21.15 do not exist, the commissioner must notify the person making the request in writing of
21.16 the determination.

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

21.18 Sec. 21. Minnesota Statutes 2014, section 18J.05, subdivision 1, is amended to read:

21.19 Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G, 18H, 18K, 27,
21.20 223, 231, or 232; sections 21.80 to 21.92; or an associated rule is a violation of this chapter.

21.21 (b) Upon the request of the commissioner, county attorneys, sheriffs, and other
21.22 officers having authority in the enforcement of the general criminal laws must take action
21.23 to the extent of their authority necessary or proper for the enforcement of chapter 18G,
21.24 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules or valid
21.25 orders, standards, stipulations, and agreements of the commissioner.

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

21.27 Sec. 22. Minnesota Statutes 2014, section 18J.05, subdivision 2, is amended to read:

21.28 Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G, 18H,
21.29 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules occur or the
21.30 commissioner believes the public interest will be best served by a suitable notice of
21.31 warning in writing, this section does not require the commissioner to:

21.32 (1) report the violation for prosecution;

22.1 (2) institute seizure proceedings; or

22.2 (3) issue a withdrawal from distribution, stop-sale, or other order.

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

22.4 Sec. 23. Minnesota Statutes 2014, section 18J.05, subdivision 6, is amended to read:

22.5 Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered,
22.6 or certified under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or
22.7 associated rules must appoint the commissioner as the agent upon whom all legal process
22.8 may be served and service upon the commissioner is deemed to be service on the licensee,
22.9 permittee, registrant, or certified person.

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

22.11 Sec. 24. Minnesota Statutes 2014, section 18J.06, is amended to read:

22.12 **18J.06 FALSE STATEMENT OR RECORD.**

22.13 A person must not knowingly make or offer a false statement, record, or other
22.14 information as part of:

22.15 (1) an application for registration, license, certification, or permit under chapter 18G,
22.16 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules;

22.17 (2) records or reports required under chapter 18G, 18H, 18K, 27, 223, 231, or 232;
22.18 sections 21.80 to 21.92; or associated rules; or

22.19 (3) an investigation of a violation of chapter 18G, 18H, 18K, 27, 223, 231, or 232;
22.20 sections 21.80 to 21.92; or associated rules.

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

22.22 Sec. 25. Minnesota Statutes 2014, section 18J.07, subdivision 3, is amended to read:

22.23 Subd. 3. **Cancellation of registration, permit, license, certification.** The
22.24 commissioner may cancel or revoke a registration, permit, license, or certification
22.25 provided for under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92;
22.26 or associated rules or refuse to register, permit, license, or certify under provisions of
22.27 chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated rules
22.28 if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive
22.29 practices in the evasion or attempted evasion of a provision of chapter 18G, 18H, 18K, 27,
22.30 223, 231, or 232; sections 21.80 to 21.92; or associated rules.

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

23.1 Sec. 26. Minnesota Statutes 2014, section 18J.07, subdivision 4, is amended to read:

23.2 Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an
23.3 order, the commissioner may attach the order to the facility, site, seed or seed container,
23.4 plant or other living or nonliving object regulated under chapter 18G, 18H, 18K, 27, 223,
23.5 231, or 232; sections 21.80 to 21.92; or associated rules and notify the owner, custodian,
23.6 other responsible party, or registrant.

23.7 (b) The seed, seed container, plant, or other living or nonliving object regulated
23.8 under chapter 18G, 18H, 18K, 27, 223, 231, or 232; sections 21.80 to 21.92; or associated
23.9 rules may not be sold, used, tampered with, or removed until released under conditions
23.10 specified by the commissioner, by an administrative law judge, or by a court.

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

23.12 Sec. 27. Minnesota Statutes 2014, section 18J.07, subdivision 5, is amended to read:

23.13 Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration,
23.14 or certification under provisions of this chapter, chapter 18G, 18H, 18K, 27, 223, 231, or
23.15 232; sections 21.80 to 21.92; or associated rules may not allow a final judgment against
23.16 the applicant for damages arising from a violation of those statutes or rules to remain
23.17 unsatisfied for a period of more than 30 days.

23.18 (b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this
23.19 chapter results in automatic suspension of the license, permit, registration, or certification.

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

23.21 Sec. 28. Minnesota Statutes 2014, section 18J.09, is amended to read:

23.22 **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

23.23 Penalties, cost reimbursements, fees, and other money collected under this chapter
23.24 must be deposited into the state treasury and credited to the appropriate nursery and
23.25 phytosanitary, industrial hemp, or seed account.

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

23.27 Sec. 29. Minnesota Statutes 2014, section 18J.11, subdivision 1, is amended to read:

23.28 Subdivision 1. **General violation.** Except as provided in subdivisions 2 ~~and~~ 3, and
23.29 4, a person is guilty of a misdemeanor if the person violates this chapter or an order,
23.30 standard, stipulation, agreement, or schedule of compliance of the commissioner.

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

24.1 Sec. 30. Minnesota Statutes 2014, section 18J.11, is amended by adding a subdivision
24.2 to read:

24.3 Subd. 4. **Controlled substance offenses.** Prosecution under this section does not
24.4 preclude prosecution under chapter 152.

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

24.6 Sec. 31. **[18K.01] SHORT TITLE.**

24.7 This chapter may be referred to as the "Industrial Hemp Development Act."

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

24.9 Sec. 32. **[18K.02] FINDINGS; PURPOSE.**

24.10 The legislature finds that the development and use of industrial hemp can improve
24.11 the state's economy and agricultural vitality and the production of industrial hemp can
24.12 be regulated so as not to interfere with the strict regulation of controlled substances in
24.13 this state. The purpose of the Industrial Hemp Development Act is to promote the state
24.14 economy and agriculture industry by permitting the development of a regulated industrial
24.15 hemp industry while maintaining strict control of marijuana.

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

24.17 Sec. 33. **[18K.03] DEFINITIONS.**

24.18 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

24.19 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

24.20 Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant Cannabis sativa L.
24.21 and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol
24.22 concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not
24.23 marijuana as defined in section 152.01, subdivision 9.

24.24 Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01,
24.25 subdivision 9.

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

24.27 Sec. 34. **[18K.035] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

24.28 Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate
24.29 industrial hemp pursuant to a pilot program administered by the commissioner to study
24.30 the growth, cultivation, or marketing of industrial hemp. The commissioner may: (1)

25.1 authorize institutions of higher education to grow or cultivate industrial hemp as part
25.2 of the commissioner's pilot program or as is necessary to perform other agricultural,
25.3 renewable energy, or academic research; and (2) contract with public or private entities for
25.4 testing or other activities authorized under this subdivision. Authorized activity under this
25.5 section may include collecting seed from wild hemp sources.

25.6 Subd. 2. **Site registration.** Before growing or cultivating industrial hemp pursuant
25.7 to this section, each site must be registered with and certified by the commissioner. A
25.8 person must register each site annually in the form prescribed by the commissioner and
25.9 must pay the annual registration and certification fee established by the commissioner in
25.10 accordance with section 16A.1285, subdivision 2.

25.11 Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot
25.12 program pursuant to this section and Public Law 113-79.

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

25.14 Sec. 35. **[18K.04] AGRICULTURAL CROP; POSSESSION AUTHORIZED.**

25.15 Industrial hemp is an agricultural crop in this state. A person may possess, transport,
25.16 process, sell, or buy industrial hemp that is grown pursuant to this chapter.

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

25.18 Sec. 36. **[18K.05] LICENSING.**

25.19 Subdivision 1. **Requirement; issuance; presumption.** (a) A person must obtain a
25.20 license from the commissioner before growing industrial hemp for commercial purposes.
25.21 A person must apply to the commissioner in the form prescribed by the commissioner and
25.22 must pay the annual registration and inspection fee established by the commissioner in
25.23 accordance with section 16A.1285, subdivision 2. The license application must include
25.24 the name and address of the applicant and the legal description of the land area or areas
25.25 where industrial hemp will be grown by the applicant.

25.26 (b) When an applicant has paid the fee and completed the application process to the
25.27 satisfaction of the commissioner, the commissioner must issue a license which is valid
25.28 until December 31 of the year of application.

25.29 (c) A person licensed under this section is presumed to be growing industrial hemp
25.30 for commercial purposes.

25.31 Subd. 2. **Background check; data classification.** The commissioner must require
25.32 each first-time applicant for a license to submit to a background investigation conducted
25.33 by the Bureau of Criminal Apprehension as a condition of licensure. As part of the

26.1 background investigation, the Bureau of Criminal Apprehension must conduct criminal
 26.2 history checks of Minnesota records and is authorized to exchange fingerprints with the
 26.3 United States Department of Justice, Federal Bureau of Investigation for the purpose of a
 26.4 criminal background check of the national files. The cost of the investigation must be paid
 26.5 by the applicant. Criminal history records provided to the commissioner under this section
 26.6 must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

26.7 Subd. 3. **Federal requirements.** The applicant must demonstrate to the satisfaction
 26.8 of the commissioner that the applicant has complied with all applicable federal
 26.9 requirements pertaining to the production, distribution, and sale of industrial hemp.

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

26.11 Sec. 37. **[18K.06] ANNUAL REPORT; SALES NOTIFICATION.**

26.12 (a) Annually, a licensee must file with the commissioner:

26.13 (1) documentation demonstrating to the commissioner's satisfaction that the seeds
 26.14 planted by the licensee are of a type and variety that contain no more than three-tenths of
 26.15 one percent delta-9 tetrahydrocannabinol; and

26.16 (2) a copy of any contract to grow industrial hemp.

26.17 (b) Within 30 days, a licensee must notify the commissioner of each sale or
 26.18 distribution of industrial hemp grown by the licensee including, but not limited to, the
 26.19 name and address of the person receiving the industrial hemp and the amount of industrial
 26.20 hemp sold or distributed.

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

26.22 Sec. 38. **[18K.07] RULEMAKING.**

26.23 (a) The commissioner shall adopt rules governing the production, testing, and
 26.24 licensing of industrial hemp.

26.25 (b) Rules adopted under paragraph (a) must include, but not be limited to, provisions
 26.26 governing:

26.27 (1) the supervision and inspection of industrial hemp during its growth and harvest;

26.28 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

26.29 (3) the use of background checks results required under section 18K.05 to approve
 26.30 or deny a license application; and

26.31 (4) any other provision or procedure necessary to carry out the purposes of this
 26.32 chapter.

27.1 (c) Rules issued under this section must be consistent with federal law regarding
 27.2 the production, distribution, and sale of industrial hemp.

27.3 **EFFECTIVE DATE.** This section is effective the day after the federal government
 27.4 authorizes the commercial production of industrial hemp in this country.

27.5 Sec. 39. **[18K.08] FEES.**

27.6 Fees collected under this chapter must be credited to the industrial hemp account,
 27.7 which is hereby established in the agricultural fund in the state treasury. Interest earned
 27.8 in the account accrues to the account. Funds in the industrial hemp account are annually
 27.9 appropriated to the commissioner to implement and enforce this chapter.

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

27.11 Sec. 40. **[18K.09] DEFENSE FOR POSSESSION OF MARIJUANA.**

27.12 It is an affirmative defense to a prosecution for the possession of marijuana under
 27.13 chapter 152 if:

27.14 (1) the defendant possesses industrial hemp grown pursuant to this chapter; or

27.15 (2) the defendant has a valid controlled substance registration from the United States
 27.16 Department of Justice, Drug Enforcement Administration, if required under federal law.

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

27.18 Sec. 41. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
 27.19 to read:

27.20 Subd. 1a. **Address.** "Address" means the complete primary mailing address of the
 27.21 labeler or the person or firm selling seed. A complete address includes the street address,
 27.22 post office box, or rural route, and city, state, and zip code or postal code.

27.23 Sec. 42. Minnesota Statutes 2014, section 21.81, is amended by adding a subdivision
 27.24 to read:

27.25 Subd. 27a. **Total viable.** "Total viable" means the sum of the germination
 27.26 percentage, plus hard seeds, dormant seeds, or both.

27.27 Sec. 43. Minnesota Statutes 2014, section 21.82, subdivision 2, is amended to read:

27.28 Subd. 2. **Content.** For agricultural, vegetable, flower, or wildflower seeds offered
 27.29 for sale as agricultural seed, except as otherwise provided in subdivisions 4, 5, and 6, the
 27.30 label must contain:

28.1 (a) The name of the kind or kind and variety for each seed component in excess
28.2 of five percent of the whole and the percentage by weight of each in order of its
28.3 predominance. The commissioner shall by rule designate the kinds that are required to be
28.4 labeled as to variety. If the variety of those kinds generally labeled as to variety is not
28.5 stated and it is not required to be stated, the label shall show the name of the kind and the
28.6 words: "Variety not stated." The heading "pure seed" must be indicated on the seed label
28.7 in close association with other required label information.

28.8 (1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure
28.9 seed shown unless the percentage of pure seed which is hybrid seed is shown separately.
28.10 If two or more kinds or varieties are present in excess of five percent and are named on
28.11 the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or
28.12 kind and variety that has pure seed which is less than 95 percent but more than 75 percent
28.13 hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to
28.14 show the percentage of pure seed that is hybrid seed or a statement such as "contains from
28.15 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as
28.16 hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be
28.17 shown on the label in conjunction with the kind.

28.18 (2) Blends shall be listed on the label using the term "blend" in conjunction with
28.19 the kind.

28.20 (3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

28.21 (b) Lot number or other lot identification.

28.22 (c) Origin, if known, or that the origin is unknown.

28.23 (d) Percentage by weight of all weed seeds present. This percentage may not exceed
28.24 one percent. The heading "weed seed" must be indicated on the seed label in close
28.25 association with other required label information.

28.26 (e) Name and rate of occurrence per pound of each kind of restricted noxious weed
28.27 seeds present. They must be listed under the heading "noxious weed seeds" in close
28.28 association with other required label information.

28.29 (f) Percentage by weight of seeds other than those kinds and varieties required
28.30 to be named on the label. They must be listed under the heading "other crop" in close
28.31 association with other required label information.

28.32 (g) Percentage by weight of inert matter. The heading "inert matter" must be
28.33 indicated on the seed label in close association with other required label information.

28.34 (h) Net weight of contents, to appear on either the container or the label.

28.35 (i) For each named kind or variety of seed:

28.36 (1) percentage of germination, exclusive of hard or dormant seed or both;

29.1 (2) percentage of hard or dormant seed or both, if present; and

29.2 (3) the calendar month and year the percentages were determined by test or the
 29.3 statement "sell by (month and year)" which may not be more than 12 months from the
 29.4 date of test, exclusive of the month of test.

29.5 The headings for "germination" and "hard seed or dormant seed" percentages must be
 29.6 stated separately on the seed label. A separate percentage derived from combining these
 29.7 percentages may also be stated on the seed label, ~~but the heading for this percentage must~~
 29.8 ~~be "total germination and hard seed or dormant seed when applicable." They must not be~~
 29.9 ~~stated as "total live seed," "total germination," or in any other unauthorized manner. as~~
 29.10 "total viable."

29.11 (j) Name and address of the person who labeled the seed or who sells the seed within
 29.12 this state, or a code number which has been registered with the commissioner.

29.13 Sec. 44. Minnesota Statutes 2014, section 21.82, subdivision 4, is amended to read:

29.14 Subd. 4. **Hybrid seed corn.** For hybrid seed corn purposes a label must contain:

29.15 (1) a statement indicating the number of seeds in the container may be listed along
 29.16 with or in lieu of the net weight of contents; and

29.17 (2) for each variety of hybrid seed field corn, the day classification as determined
 29.18 by the originator or owner. The day classification must approximate the number of days
 29.19 of growing season necessary from emergence of the corn plant above ground to relative
 29.20 maturity and must ~~conform to the day classification established by the director of~~ be
 29.21 within three days of maturity ratings determined in comparative trials by the Minnesota
 29.22 agricultural experiment station for the appropriate zone.

29.23 Sec. 45. Minnesota Statutes 2014, section 21.85, subdivision 2, is amended to read:

29.24 Subd. 2. **Seed laboratory.** (a) The commissioner shall establish and maintain a seed
 29.25 laboratory for seed testing, employing necessary agents and assistants to administer and
 29.26 enforce sections 21.80 to 21.92, who shall be governed by chapter 43A.

29.27 (b) The laboratory procedures for testing official seed samples are the procedures
 29.28 set forth in the Rules for Testing Seeds that is published annually by the Association of
 29.29 Official Seed Analysts. If a laboratory procedure rule does not exist for a particular type
 29.30 of seed, then laboratory procedures from other recognized seed testing sources may be
 29.31 used, including procedures under the Code of Federal Regulations, title 7, part 201, or
 29.32 the International Rules for Testing Seeds.

30.1 Sec. 46. Minnesota Statutes 2014, section 21.85, is amended by adding a subdivision
30.2 to read:

30.3 Subd. 15. **Prohibited and restricted seeds.** The commissioner shall determine
30.4 species that are considered prohibited weed seeds and restricted noxious weed seeds and
30.5 the allowable rate of occurrence of restricted noxious weed seeds.

30.6 Sec. 47. Minnesota Statutes 2014, section 21.89, subdivision 2, is amended to read:

30.7 Subd. 2. **Permits; issuance and revocation.** The commissioner shall issue a permit
30.8 to the initial labeler of agricultural, vegetable, flower, and wildflower seeds which are sold
30.9 for use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92.
30.10 The categories of permits are as follows:

30.11 (1) for initial labelers who sell 50,000 pounds or less of agricultural seed each
30.12 calendar year, an annual permit issued for a fee established in section 21.891, subdivision
30.13 2, paragraph (b);

30.14 (2) for initial labelers who sell vegetable, flower, and wildflower seed packed for
30.15 use in home gardens or household plantings, and initial labelers who sell native grasses
30.16 and wildflower seed in commercial or agricultural quantities, an annual permit issued for
30.17 a fee established in section 21.891, subdivision 2, paragraph (c), based upon the gross
30.18 sales from the previous year; and

30.19 (3) for initial labelers who sell more than 50,000 pounds of agricultural seed
30.20 each calendar year, a permanent permit issued for a fee established in section 21.891,
30.21 subdivision 2, paragraph (d).

30.22 In addition, the person shall furnish to the commissioner an itemized statement of all
30.23 seeds sold in Minnesota for the periods established by the commissioner. This statement
30.24 shall be delivered, along with the payment of the fee, based upon the amount and type
30.25 of seed sold, to the commissioner no later than 30 days after the end of each reporting
30.26 period. Any person holding a permit shall show as part of the analysis labels or invoices
30.27 on all agricultural, vegetable, flower, wildflower, tree, or shrub seeds all information the
30.28 commissioner requires. The commissioner may revoke any permit in the event of failure
30.29 to comply with applicable laws and rules.

30.30 Sec. 48. **[28A.152] COTTAGE FOODS EXEMPTION.**

30.31 Subdivision 1. **Licensing provisions applicability.** (a) The licensing provisions of
30.32 sections 28A.01 to 28A.16 do not apply to the following:

31.1 (1) an individual who prepares and sells food that is not potentially hazardous food,
 31.2 as defined in Minnesota Rules, part 4626.0020, subpart 62, if the following requirements
 31.3 are met:

31.4 (i) the prepared food offered for sale under this clause is labeled to accurately reflect
 31.5 the name and address of the person preparing and selling the food, the date on which the
 31.6 food was prepared, and the ingredients and any possible allergens; and

31.7 (ii) the individual displays at the point of sale a clearly legible sign or placard stating:
 31.8 "These products are homemade and not subject to state inspection"; and

31.9 (2) an individual who prepares and sells home-processed and home-canned food
 31.10 products if the following requirements are met:

31.11 (i) the products are pickles, vegetables, or fruits having an equilibrium pH value of
 31.12 4.6 or lower;

31.13 (ii) the products are home-processed and home-canned in Minnesota;

31.14 (iii) the individual displays at the point of sale a clearly legible sign or placard
 31.15 stating: "These canned goods are homemade and not subject to state inspection"; and

31.16 (iv) each container of the product sold or offered for sale under this clause is
 31.17 accurately labeled to provide the name and address of the person who processed and
 31.18 canned the goods, the date on which the goods were processed and canned, and ingredients
 31.19 and any possible allergens.

31.20 (b) An individual who qualifies for an exemption under paragraph (a), clause (2), is
 31.21 also exempt from the provisions of sections 31.31 and 31.392.

31.22 Subd. 2. **Direct sales to consumers.** (a) An individual qualifying for an exemption
 31.23 under subdivision 1 may sell the exempt food:

31.24 (1) directly to the ultimate consumer;

31.25 (2) at a community event or farmers' market; or

31.26 (3) directly from the individual's home to the consumer, to the extent allowed by
 31.27 local ordinance.

31.28 (b) If an exempt food product will be delivered to the ultimate consumer upon sale
 31.29 of the food product, the individual who prepared the food product must be the person who
 31.30 delivers the food product to the ultimate consumer.

31.31 (c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be
 31.32 sold outside of Minnesota.

31.33 (d) Food products exempt under subdivision 1 may be sold over the Internet but
 31.34 must be delivered directly to the ultimate consumer by the individual who prepared the
 31.35 food product. The statement "These products are homemade and not subject to state
 31.36 inspection" must be displayed on the Web site that offers the exempt foods for purchase.

32.1 Subd. 3. **Limitation on sales.** An individual selling exempt foods under this section
32.2 is limited to total sales with gross receipts of \$18,000 or less in a calendar year.

32.3 Subd. 4. **Registration.** Before an individual sells food that is exempt under this
32.4 section, the individual must register with the commissioner on a form prescribed by the
32.5 commissioner. The individual must renew the individual's registration every three years.
32.6 The registration fee is \$50. An individual with \$5,000 or less in annual gross receipts from
32.7 the sale of exempt food under this section is not required to pay the registration fee.

32.8 Subd. 5. **Training.** An individual who prepares and sells exempt food under
32.9 subdivision 1 must complete a safe food handling training course that is approved by the
32.10 commissioner. The training shall not exceed eight hours and must be completed every
32.11 three years while the individual is registered under subdivision 4.

32.12 Subd. 6. **Local ordinances.** This section does not preempt the application of any
32.13 business licensing requirement or sanitation, public health, or zoning ordinance of a
32.14 political subdivision.

32.15 Subd. 7. **Account established.** A cottage foods account is created as a separate
32.16 account in the special revenue fund in the state treasury for depositing money received
32.17 by the commissioner under this section. Money in the account, including interest, is
32.18 appropriated to the commissioner for costs under this section.

32.19 Sec. 49. **[41A.13] DEFINITIONS.**

32.20 (a) For the purposes of sections 41A.13 to 41A.17, the terms defined in this section
32.21 have the meanings given them.

32.22 (b) "Advanced biofuels" has the meaning given in section 239.051, subdivision 1a.

32.23 (c) "Biomass thermal production" means the generation of energy for commercial
32.24 heat or industrial process heat from a cellulosic material or other material composed of
32.25 forestry or agricultural feedstocks for a new or expanding capacity facility or a facility that
32.26 is displacing existing use of fossil fuel after the effective date of this section.

32.27 (d) "Cellulosic biomass" means material primarily made up of cellulose,
32.28 hemicellulose, or lignin, or a combination of those ingredients.

32.29 (e) "Cellulosic sugar" means sugar derived from cellulosic biomass from agricultural
32.30 or forestry resources.

32.31 (f) "Commissioner" means the commissioner of agriculture.

32.32 (g) "Cover crops" means grasses, legumes, forbs, or other herbaceous plants that are
32.33 known to be noninvasive and not listed as a noxious weed in Minnesota and that are either
32.34 interseeded into living cash crops or planted on agricultural fields during fallow periods
32.35 for seasonal cover and conservation purposes.

33.1 (h) "MMbtu" means one million British thermal units.

33.2 (i) "Perennial crops" means agriculturally produced plants that are known to be
33.3 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at
33.4 least three years at the location where the plants are being cultivated. Biomass from alfalfa
33.5 produced in a two-year rotation shall be considered a perennial crop.

33.6 (j) "Renewable chemical" means a chemical with biobased content as defined in
33.7 section 41A.105, subdivision 1a.

33.8 **Sec. 50. [41A.14] ADVANCED BIOFUEL PRODUCTION INCENTIVE.**

33.9 (a) A facility eligible for payment under this program must source at least 80 percent
33.10 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,
33.11 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
33.12 agricultural or forestry sources or from solid waste. The production facility must be
33.13 located in Minnesota, must begin production at a specific location by June 30, 2025, and
33.14 must not begin operation above 95,000 MMBtu of annual biofuel production before July 1,
33.15 2015. Eligible facilities include existing companies and facilities that are adding advanced
33.16 biofuel production capacity, or retrofitting existing capacity, as well as new companies
33.17 and facilities. Production of conventional corn ethanol and conventional biodiesel is not
33.18 eligible. Advanced biofuel facilities must produce at least 30,000 MMBtu a year to be
33.19 eligible for the program.

33.20 (b) The commissioner shall make payments to eligible producers of advanced
33.21 biofuel. For the purpose of this section, an entity that holds a controlling interest in more
33.22 than one advanced biofuel facility is considered a single eligible producer. The amount
33.23 of the payment for each eligible producer's annual production is \$2.1053 per MMBtu
33.24 for advanced biofuel production from cellulosic biomass, and \$1.053 per MMBtu for
33.25 advanced biofuel production from sugar or starch at a specific location for ten years after
33.26 the start of production. Cellulosic biofuel facilities utilizing crop residues, other than
33.27 cellulosic biofuel using corn kernel fiber, or biogas, shall derive at least ten percent of total
33.28 energy production from perennial crops or biomass from cover crops in the first year of
33.29 receiving production incentives, and in the third year, at least 30 percent of total energy
33.30 production shall be derived from perennial crops or biomass from cover crops, and in the
33.31 fifth year, at least 50 percent of total energy production shall be derived from perennial
33.32 crops or biomass from cover crops and maintain at least 50 percent for the remainder of
33.33 the production incentive payment period. All forestry-derived cellulosic biomass must
33.34 be produced using Minnesota state biomass harvesting guidelines or the equivalent.
33.35 All biomass from brushlands must be produced using Minnesota brushland harvesting

34.1 biomass harvest guidelines or the equivalent. Forestry-derived cellulosic biomass that
34.2 comes from land parcels greater than 160 acres must be certified by the Forest Stewardship
34.3 Council, Sustainable Forestry Initiative, or American Tree Farm System. Uncertified land
34.4 from parcels of 160 acres or less and federal land must be harvested by a logger who has
34.5 completed training for biomass harvesting from the Minnesota logger education program
34.6 or the equivalent and have a forest stewardship plan.

34.7 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
34.8 responsible biomass sourcing plan for approval by the commissioner prior to applying for
34.9 payments under this section. The commissioner shall make the plan publicly available.

34.10 The plan must:

34.11 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
34.12 produced and managed in a way that preserves soil quality, does not increase soil and
34.13 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
34.14 on wildlife habitat, and reduces greenhouse gas emissions;

34.15 (2) include the producer's approach to verifying that biomass suppliers are following
34.16 the plan;

34.17 (3) discuss how new technologies and practices that are not yet commercially viable
34.18 may be encouraged and adopted during the life of the facility, and how the producer will
34.19 encourage continuous improvement during the life of the project;

34.20 (4) include specific numeric goals and timelines for making progress;

34.21 (5) require agronomic practices that result in a positive NRCS Soil Conditioning
34.22 Index score for acres from which biomass from corn stover will be harvested; and

34.23 (6) include biennial soil sampling to verify maintained or increased levels of soil
34.24 organic matter.

34.25 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
34.26 payments under this section shall submit an annual report on the producer's responsible
34.27 biomass sourcing plan to the commissioner by January 15 each year. The report must
34.28 include data on progress made by the producer in meeting specific goals laid out in the
34.29 plan. The commissioner shall make the report publicly available. The commissioner
34.30 shall perform an annual review of submitted reports and make a determination whether
34.31 the producer is following the plan and meeting the criteria in paragraph (c) based on the
34.32 reports submitted. The commissioner may take appropriate steps, including reducing or
34.33 ceasing payments until the producer is in compliance with the plan.

34.34 (e) No payments shall be made for advanced biofuel production that occurs after
34.35 June 30, 2035, for those eligible biofuel producers under paragraph (b). An eligible

35.1 producer of advanced biofuel shall not transfer the producer's eligibility for payments
35.2 under this section to an advanced biofuel facility at a different location.

35.3 (f) Total payments under this section to an eligible biofuel producer in a fiscal year
35.4 may not exceed the amount necessary for 2,850,000 MMBtu of biofuel production. Total
35.5 payments under this section to all eligible biofuel producers in a fiscal year may not
35.6 exceed the amount necessary for 17,100,000 MMBtu of biofuel production.

35.7 (g) By the last day of October, January, April, and July, each eligible biofuel producer
35.8 shall file a claim for payment for advanced biofuel production during the preceding three
35.9 calendar months. An eligible biofuel producer that files a claim under this paragraph shall
35.10 include a statement of the eligible biofuel producer's total advanced biofuel production
35.11 in Minnesota during the quarter covered by the claim. For each claim and statement of
35.12 total advanced biofuel production filed under this paragraph, the volume of advanced
35.13 biofuel production must be examined by an independent certified public accountant firm
35.14 licensed under chapter 326A, in accordance with Statements on Standards for Attestation
35.15 Engagements established by the American Institute of Certified Public Accountants.

35.16 (h) Payments must be made November 15, February 15, May 15, and August 15.
35.17 A separate payment must be made for each claim filed.

35.18 (i) Any producer that ceases production for any reason is ineligible to receive
35.19 payments under the program until they begin producing again.

35.20 (j) Renewable chemical production for which payment has been received under
35.21 section 41A.15, and biomass thermal production for which payment has been received
35.22 under section 41A.16, is not eligible for payment under this section.

35.23 **Sec. 51. [41A.15] RENEWABLE CHEMICAL PRODUCTION INCENTIVE.**

35.24 (a) A facility eligible for payment under this program must source at least 80
35.25 percent biobased content, as defined in section 41A.105, subdivision 1a, clause (1),
35.26 from Minnesota. If a facility is sited 50 miles or less from the state border, biobased
35.27 content may be sourced from within a 100-mile radius. Biobased content must be from
35.28 agricultural or forestry sources or from solid waste. The production facility must be
35.29 located in Minnesota, must begin production at a specific location by June 30, 2025, and
35.30 must not begin production of 3,000,000 pounds of chemicals annually before January
35.31 1, 2015. Eligible facilities include existing companies and facilities that are adding
35.32 production capacity, or retrofitting existing capacity, as well as new companies and
35.33 facilities. Renewable chemical facilities must produce at least 3,000,000 pounds per year
35.34 to be eligible for the program. Renewable chemicals produced through processes that are
35.35 fully commercial before January 1, 2000, are not eligible.

36.1 (b) The commissioner shall make payments to eligible producers of renewable
36.2 chemicals located in the state. For the purpose of this subdivision, an entity that holds a
36.3 controlling interest in more than one renewable chemical production facility is considered
36.4 a single eligible producer. The amount of the payment for each producer's annual
36.5 production is \$0.03 per pound of sugar-derived renewable chemical, \$0.03 per pound of
36.6 cellulosic sugar, and \$0.06 per pound of cellulosic-derived renewable chemical produced at
36.7 a specific location for ten years after the start of production. All forestry-derived cellulosic
36.8 biomass must be produced using Minnesota state biomass harvesting guidelines or the
36.9 equivalent. All cellulosic biomass from brushlands must be produced using Minnesota
36.10 brushland harvesting biomass harvest guidelines or the equivalent. Forestry-derived
36.11 cellulosic biomass that comes from land parcels greater than 160 acres must be certified
36.12 by the Forest Stewardship Council, Sustainable Forestry Initiative, or American Tree
36.13 Farm System. Uncertified land from parcels of 160 acres or less and federal land must
36.14 be harvested by a logger who has completed training for biomass harvesting from the
36.15 Minnesota logger education program or the equivalent and have a forest stewardship plan.
36.16 An eligible facility producing renewable chemicals using agricultural cellulosic biomass
36.17 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
36.18 biomass that is derived from perennial crops or from acres where cover crops are used.

36.19 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
36.20 responsible biomass sourcing plan to the commissioner prior to applying for payments
36.21 under this section. The plan must:

36.22 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
36.23 produced and managed in a way that preserves soil quality, does not increase soil and
36.24 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
36.25 on wildlife habitat, and reduces greenhouse gas emissions;

36.26 (2) include the producer's approach to verifying that biomass suppliers are following
36.27 the plan;

36.28 (3) discuss how new technologies and practices that are not yet commercially viable
36.29 may be encouraged and adopted during the life of the facility, and how the producer will
36.30 encourage continuous improvement during the life of the project; and

36.31 (4) include specific numeric goals and timelines for making progress.

36.32 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
36.33 payments under this section shall submit an annual report on the producer's responsible
36.34 biomass sourcing plan to the commissioner by January 15 each year. The report must
36.35 include data on progress made by the producer in meeting specific goals laid out in the
36.36 plan. The commissioner shall make the report publicly available. The commissioner

37.1 shall perform an annual review of submitted reports and is authorized to make a
37.2 determination that the producer is not following the plan based on the reports submitted.
37.3 The commissioner may take appropriate steps, including reducing or ceasing payments
37.4 until the producer is in compliance with the plan.

37.5 (e) No payments shall be made for renewable chemical production that occurs after
37.6 June 30, 2035, for those eligible renewable chemical producers under paragraph (b). An
37.7 eligible producer of renewable chemicals shall not transfer the producer's eligibility for
37.8 payments under this section to a renewable chemical facility at a different location.

37.9 (f) Total payments under this section to an eligible renewable chemical producer in
37.10 a fiscal year may not exceed the amount necessary for 99,999,999 pounds of renewable
37.11 chemical production. Total payments under this section to all eligible renewable chemical
37.12 producers in a fiscal year may not exceed the amount necessary for 599,999,999 pounds of
37.13 renewable chemical production.

37.14 (g) By the last day of October, January, April, and July, each eligible renewable
37.15 chemical producer shall file a claim for payment for renewable chemical production
37.16 during the preceding three calendar months. An eligible renewable chemical producer
37.17 that files a claim under this paragraph shall include a statement of the eligible producer's
37.18 total renewable chemical production in Minnesota during the quarter covered by the
37.19 claim. For each claim and statement of total renewable chemical production filed under
37.20 this paragraph, the volume of renewable chemical production must be examined by an
37.21 independent certified public accountant firm licensed under chapter 326A, in accordance
37.22 with Statements on Standards for Attestation Engagements established by the American
37.23 Institute of Certified Public Accountants.

37.24 (h) Payments must be made November 15, February 15, May 15, and August 15.
37.25 A separate payment must be made for each claim filed.

37.26 (i) Any producer that ceases production for any reason is ineligible to receive
37.27 payments under the program until they begin producing again.

37.28 (j) Advanced biofuel production for which payment has been received under section
37.29 41A.14, and biomass thermal production for which payment has been received under
37.30 section 41A.16, is not eligible for payment under this section.

37.31 **Sec. 52. [41A.16] BIOMASS THERMAL PRODUCTION INCENTIVE.**

37.32 (a) A facility eligible for payment under this program must source at least 80 percent
37.33 raw materials from Minnesota. If a facility is sited 50 miles or less from the state border,
37.34 raw materials may be sourced from within a 100-mile radius. Raw materials must be from
37.35 agricultural or forestry sources. The production facility must be located in Minnesota and

38.1 must not begin before July 1, 2015. Eligible facilities include existing companies and
38.2 facilities that are adding production capacity, or retrofitting existing capacity, as well as
38.3 new companies and facilities. Biomass thermal production facilities must produce at least
38.4 1,000 MMbtu per year to be eligible for the program.

38.5 (b) The commissioner shall make payments to eligible producers of biomass thermal
38.6 located in the state that have begun production at a specific location by June 30, 2025.
38.7 For the purpose of this subdivision, an entity that holds a controlling interest in more than
38.8 one biomass thermal production facility is considered a single eligible producer. The
38.9 amount of the payment for each producer's annual production is \$5.00 per MMbtu of
38.10 biomass thermal production produced at a specific location for ten years after the start of
38.11 production. All forestry-derived cellulosic biomass must be produced using Minnesota
38.12 state biomass harvesting guidelines or the equivalent. All biomass from brushland must
38.13 be produced using Minnesota brushland harvesting biomass guidelines or the equivalent.
38.14 Forestry-derived cellulosic biomass that comes from land parcels greater than 160 acres
38.15 must be certified by the Forest Stewardship Council, the Sustainable Forestry Initiative, or
38.16 American Tree Farm System. Uncertified land from parcels of 160 acres or less and federal
38.17 land must be harvested by a logger who has completed training for biomass harvesting from
38.18 the Minnesota logger education program or the equivalent and have a forest stewardship
38.19 plan. An eligible facility producing biomass thermal using agricultural cellulosic biomass
38.20 is eligible for a 20 percent bonus payment for each MMbtu produced from agricultural
38.21 biomass that is derived from perennial crops or from acres where cover crops are used.

38.22 (c) An eligible producer who utilizes agricultural cellulosic biomass must submit a
38.23 responsible biomass sourcing plan to the commissioner prior to applying for payments
38.24 under this section. The plan must:

38.25 (1) provide a detailed explanation for how agricultural cellulosic biomass will be
38.26 produced and managed in a way that preserves soil quality, does not increase soil and
38.27 nutrient runoff, avoids introduction of harmful invasive species, limits negative impacts
38.28 on wildlife habitat, and reduces greenhouse gas emissions;

38.29 (2) include the producer's approach to verifying that biomass suppliers are following
38.30 the plan;

38.31 (3) discuss how new technologies and practices that are not yet commercially viable
38.32 may be encouraged and adopted during the life of the facility, and how the producer will
38.33 encourage continuous improvement during the life of the project; and

38.34 (4) include specific numeric goals and timelines for making progress.

38.35 (d) An eligible producer who utilizes agricultural cellulosic biomass and receives
38.36 payments under this section shall submit an annual report on the producer's responsible

39.1 biomass sourcing plan to the commissioner by January 15 each year. The report must
39.2 include data on progress made by the producer in meeting specific goals laid out in the
39.3 plan. The commissioner shall make the report publicly available. The commissioner
39.4 shall perform an annual review of submitted reports and is authorized to make a
39.5 determination that the producer is not following the plan based on the reports submitted.
39.6 The commissioner may take appropriate steps, including reducing or ceasing payments
39.7 until the producer is in compliance with the plan.

39.8 (e) No payments shall be made for biomass thermal production that occurs after June
39.9 30, 2035, for those eligible biomass thermal producers under paragraph (b). A producer of
39.10 biomass thermal production shall not transfer the producer's eligibility for payments under
39.11 this section to a biomass thermal production facility at a different location.

39.12 (f) Total payments under this section to an eligible thermal producer in a fiscal year
39.13 may not exceed the amount necessary for 30,000 MMbtu of thermal production. Total
39.14 payments under this section to all eligible thermal producers in a fiscal year may not
39.15 exceed the amount necessary for 150,000 MMbtu of total thermal production.

39.16 (g) An eligible facility may blend a cellulosic feedstock with other fuels in the
39.17 biomass thermal production facility, but only the percentage attributable to cellulosic
39.18 material listed is eligible to receive the producer payment.

39.19 (h) By the last day of October, January, April, and July, each producer shall file a
39.20 claim for payment for biomass thermal production during the preceding three calendar
39.21 months. A producer that files a claim under this paragraph shall include a statement of
39.22 the producer's total biomass thermal production in Minnesota during the quarter covered
39.23 by the claim. For each claim and statement of total biomass thermal production filed
39.24 under this paragraph, the volume of biomass thermal production must be examined by an
39.25 independent certified public accountant firm licensed under chapter 326A, in accordance
39.26 with Statements on Standards for Attestation Engagements established by the American
39.27 Institute of Certified Public Accountants.

39.28 (i) Payments shall be made November 15, February 15, May 15, and August 15. A
39.29 separate payment shall be made for each claim filed.

39.30 (j) Biofuel production for which payment has been received under section 41A.14,
39.31 and renewable chemical production for which payment has been received under section
39.32 41A.15, is not eligible for payment under this section.

39.33 **Sec. 53. [41A.17] REPORT; INCENTIVE PROGRAMS.**

39.34 By January 15 each year, the commissioner shall report on the incentive programs
39.35 under sections 41A.14, 41A.15, and 41A.16 to the legislative policy and finance

40.1 committees with primary jurisdiction over environment and agriculture. The report shall
40.2 include information on production and expenditures for incentives under the programs.

40.3 Sec. 54. **[41A.18] AGRICULTURE RESEARCH, EDUCATION, EXTENSION,**
40.4 **AND TECHNOLOGY TRANSFER GRANT PROGRAM.**

40.5 Subdivision 1. **Duties; grants.** The agriculture research, education, extension, and
40.6 technology transfer grant program is created. The purpose of the grant program is to
40.7 provide investments that will most efficiently achieve long-term agricultural productivity
40.8 increases through improved infrastructure, vision, and accountability. The scope and
40.9 intent of the grants, to the extent possible, shall provide for a long-term base funding
40.10 that allows the research grantee to continue the functions of the research, education, and
40.11 extension efforts to a practical conclusion. Priority for grants shall be given to human
40.12 infrastructure. To be eligible for grants under this section, the dean of the College of Food,
40.13 Agricultural and Natural Resource Sciences, in consultation with the dean of the College
40.14 of Veterinarian Medicine, and the dean of the University of Minnesota Extension Service
40.15 must consult with stakeholders representing general farm, forestry, and agricultural
40.16 producer organizations. The commissioner shall provide grants for:

40.17 (1) agricultural research and technology transfer needs and recipients including, but
40.18 not limited to, agricultural research and extension at the University of Minnesota, research
40.19 and outreach centers, the College of Food, Agricultural and Natural Resource Sciences,
40.20 the Minnesota Agricultural Experiment Station, University of Minnesota Extension
40.21 Service, the University of Minnesota Veterinary School, the Veterinary Diagnostic
40.22 Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer
40.23 Research and Education Council;

40.24 (2) agriculture rapid response for plant and animal diseases and pests; and

40.25 (3) agricultural education including, but not limited to, the Minnesota Agriculture
40.26 Education Leadership Council, farm business management, mentoring programs, graduate
40.27 debt forgiveness, and high school programs.

40.28 Subd. 2. **Fund.** An agriculture research, education, extension, and technology
40.29 transfer fund is created in the state treasury. The fund consists of money received in the form
40.30 of gifts, grants, reimbursement, or appropriations from any source for any of the purposes
40.31 provided in subdivision 1, and any interest or earnings of the fund. Money in the fund is
40.32 appropriated to the commissioner of agriculture for the purposes under subdivision 1.

40.33 Sec. 55. Minnesota Statutes 2014, section 41B.03, subdivision 6, is amended to read:

41.1 Subd. 6. **Application fee.** The authority may impose a reasonable nonrefundable
41.2 application fee for each application submitted for a beginning farmer loan or a
41.3 seller-sponsored loan. The application fee is initially \$50. The authority may review the
41.4 fee annually and make adjustments as necessary. The fee must be deposited in the state
41.5 treasury and credited to ~~an account in the special revenue fund. Money in the account is~~
41.6 ~~appropriated to the commissioner for administrative expenses of the beginning farmer~~
41.7 ~~and seller-sponsored loan programs~~ the Rural Finance Authority administrative account
41.8 established in subdivision 7.

41.9 Sec. 56. Minnesota Statutes 2014, section 41B.03, is amended by adding a subdivision
41.10 to read:

41.11 Subd. 7. **Rural Finance Authority administrative account.** There is established
41.12 in the special revenue fund a Rural Finance Authority administrative account. Money in
41.13 the account, including interest, is appropriated to the commissioner for the administrative
41.14 expenses of the loan programs administered by the Rural Finance Authority.

41.15 Sec. 57. Minnesota Statutes 2014, section 41B.04, subdivision 17, is amended to read:

41.16 Subd. 17. **Application and origination fee.** The authority may impose a reasonable
41.17 nonrefundable application fee for each application and an origination fee for each loan
41.18 issued under the loan restructuring program. The origination fee is 1.5 percent of the
41.19 authority's participation interest in the loan and the application fee is \$50. The authority
41.20 may review the fees annually and make adjustments as necessary. The fees must be
41.21 deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
41.22 ~~Money in the account is appropriated to the commissioner for administrative expenses~~
41.23 ~~of the loan restructuring program~~ the Rural Finance Authority administrative account
41.24 established in section 41B.03.

41.25 Sec. 58. Minnesota Statutes 2014, section 41B.043, subdivision 3, is amended to read:

41.26 Subd. 3. **Application and origination fee.** The authority may impose a reasonable
41.27 nonrefundable application fee for each application submitted for a participation issued
41.28 under the agricultural improvement loan program. The application fee is initially \$50. The
41.29 authority may review the fees annually and make adjustments as necessary. The fees must
41.30 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
41.31 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
41.32 ~~the agricultural improvement loan program~~ the Rural Finance Authority administrative
41.33 account established in section 41B.03.

42.1 Sec. 59. Minnesota Statutes 2014, section 41B.045, subdivision 3, is amended to read:

42.2 Subd. 3. **Specifications.** ~~No loan may be made to refinance an existing debt.~~ Each
42.3 loan participation must be secured by a mortgage on real property and such other security
42.4 as the authority may require.

42.5 Sec. 60. Minnesota Statutes 2014, section 41B.045, subdivision 4, is amended to read:

42.6 Subd. 4. **Application and origination fee.** The authority may impose a reasonable
42.7 nonrefundable application fee for each application for a loan participation and an
42.8 origination fee for each loan issued under the livestock expansion loan program. The
42.9 origination fee initially shall be set at 1.5 percent and the application fee at \$50. The
42.10 authority may review the fees annually and make adjustments as necessary. The fees must
42.11 be deposited in the state treasury and credited to ~~an account in the special revenue fund.~~
42.12 ~~Money in this account is appropriated to the commissioner for administrative expenses of~~
42.13 ~~the livestock expansion loan program~~ the Rural Finance Authority administrative account
42.14 established in section 41B.03.

42.15 Sec. 61. Minnesota Statutes 2014, section 41B.046, subdivision 5, is amended to read:

42.16 Subd. 5. **Loans.** (a) The authority may participate in a stock loan with an eligible
42.17 lender to a farmer who is eligible under subdivision 4. Participation is limited to 45
42.18 percent of the principal amount of the loan or \$40,000, whichever is less. The interest
42.19 rates and repayment terms of the authority's participation interest may differ from the
42.20 interest rates and repayment terms of the lender's retained portion of the loan, but the
42.21 authority's interest rate must not exceed 50 percent of the lender's interest rate.

42.22 (b) No more than 95 percent of the purchase price of the stock may be financed
42.23 under this program.

42.24 (c) Security for stock loans must be the stock purchased, a personal note executed by
42.25 the borrower, and whatever other security is required by the eligible lender or the authority.

42.26 (d) The authority may impose a reasonable nonrefundable application fee for each
42.27 application for a stock loan. The authority may review the fee annually and make
42.28 adjustments as necessary. The application fee is initially \$50. Application fees received
42.29 by the authority must be deposited in the ~~revolving loan account established in section~~
42.30 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

42.31 (e) Stock loans under this program will be made using money in the revolving
42.32 loan account established in section 41B.06.

42.33 (f) The authority may not grant stock loans in a cumulative amount exceeding
42.34 \$2,000,000 for the financing of stock purchases in any one cooperative.

43.1 (g) Repayments of financial assistance under this section, including principal and
43.2 interest, must be deposited into the revolving loan account established in section 41B.06.

43.3 Sec. 62. Minnesota Statutes 2014, section 41B.047, subdivision 1, is amended to read:

43.4 Subdivision 1. **Establishment.** The authority shall establish and implement a
43.5 disaster recovery loan program to help farmers:

43.6 (1) clean up, repair, or replace farm structures and septic and water systems, as well
43.7 as replace seed, other crop inputs, feed, and livestock, when damaged by high winds,
43.8 hail, tornado, or flood; ~~or~~

43.9 (2) purchase watering systems, irrigation systems, and other drought mitigation
43.10 systems and practices when drought is the cause of the purchase; or

43.11 (3) restore farmland.

43.12 Sec. 63. Minnesota Statutes 2014, section 41B.047, subdivision 4, is amended to read:

43.13 Subd. 4. **Loans.** (a) The authority may participate in a disaster recovery loan with
43.14 an eligible lender to a farmer who is eligible under subdivision 3. Participation is limited
43.15 to 45 percent of the principal amount of the loan or \$50,000, whichever is less. The
43.16 interest rates and repayment terms of the authority's participation interest may differ from
43.17 the interest rates and repayment terms of the lender's retained portion of the loan, but the
43.18 authority's interest rate must not exceed four percent.

43.19 (b) Standards for loan amortization shall be set by the Rural Finance Authority
43.20 not to exceed ten years.

43.21 (c) Security for the disaster recovery loans must be a personal note executed by the
43.22 borrower and whatever other security is required by the eligible lender or the authority.

43.23 (d) The authority may impose a reasonable nonrefundable application fee for a
43.24 disaster recovery loan. The authority may review the fee annually and make adjustments
43.25 as necessary. The application fee is initially \$50. Application fees received by the
43.26 authority must be deposited in the revolving loan account established under section
43.27 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

43.28 (e) Disaster recovery loans under this program will be made using money in the
43.29 revolving loan account established under section 41B.06.

43.30 (f) Repayments of financial assistance under this section, including principal and
43.31 interest, must be deposited into the revolving loan account established under section
43.32 41B.06.

43.33 Sec. 64. Minnesota Statutes 2014, section 41B.048, subdivision 6, is amended to read:

44.1 Subd. 6. **Loans.** (a) The authority may disburse loans through a fiscal agent to
44.2 farmers and agricultural landowners who are eligible under subdivision 5. The total
44.3 accumulative loan principal must not exceed \$75,000 per loan.

44.4 (b) The fiscal agent may impose a loan origination fee in the amount of one percent
44.5 of the total approved loan. This fee is to be paid by the borrower to the fiscal agent at
44.6 the time of loan closing.

44.7 (c) The loan may be disbursed over a period not to exceed 12 years.

44.8 (d) A borrower may receive loans, depending on the availability of funds, for planted
44.9 areas up to 160 acres for up to:

44.10 (1) the total amount necessary for establishment of the crop;

44.11 (2) the total amount of maintenance costs, including weed control, during the first
44.12 three years; and

44.13 (3) 70 percent of the estimated value of one year's growth of the crop for years
44.14 four through 12.

44.15 (e) Security for the loan must be the crop, a personal note executed by the borrower, an
44.16 interest in the land upon which the crop is growing, and whatever other security is required
44.17 by the fiscal agent or the authority. All recording fees must be paid by the borrower.

44.18 (f) The authority may prescribe forms and establish an application process for
44.19 applicants to apply for a loan.

44.20 (g) The authority may impose a reasonable, nonrefundable application fee for each
44.21 application for a loan under this program. The application fee is initially \$50. Application
44.22 fees received by the authority must be deposited in the ~~revolving loan account established~~
44.23 ~~under section 41B.06~~ Rural Finance Authority administrative account established in
44.24 section 41B.03.

44.25 (h) Loans under the program must be made using money in the revolving loan
44.26 account established under section 41B.06.

44.27 (i) All repayments of financial assistance granted under this section, including
44.28 principal and interest, must be deposited into the revolving loan account established
44.29 under section 41B.06.

44.30 (j) The interest payable on loans made by the authority for the agroforestry loan
44.31 program must, if funded by revenue bond proceeds, be at a rate not less than the rate on the
44.32 revenue bonds, and may be established at a higher rate necessary to pay costs associated
44.33 with the issuance of the revenue bonds and a proportionate share of the cost of administering
44.34 the program. The interest payable on loans for the agroforestry loan program funded from
44.35 sources other than revenue bond proceeds must be at a rate determined by the authority.

45.1 (k) Loan principal balance outstanding plus all assessed interest must be repaid
45.2 within 120 days of harvest, but no later than 15 years from planting.

45.3 Sec. 65. Minnesota Statutes 2014, section 41B.049, subdivision 4, is amended to read:

45.4 Subd. 4. **Loans.** (a) The authority may make a direct loan or participate in a loan
45.5 with an eligible lender to a farmer who is eligible under subdivision 3. Repayment terms
45.6 of the authority's participation interest may differ from repayment terms of the lender's
45.7 retained portion of the loan. Loans made under this section must be no-interest loans.

45.8 (b) Application for a direct loan or a loan participation must be made on forms
45.9 prescribed by the authority.

45.10 (c) Standards for loan amortization shall be set by the Rural Finance Authority
45.11 not to exceed ten years.

45.12 (d) Security for the loans must be a personal note executed by the borrower and
45.13 whatever other security is required by the eligible lender or the authority.

45.14 (e) No loan proceeds may be used to refinance a debt existing prior to application.

45.15 (f) The authority may impose a reasonable nonrefundable application fee for
45.16 each application for a direct loan or a loan participation. The authority may review the
45.17 application fees annually and make adjustments as necessary. The application fee is
45.18 initially set at \$100 for a loan under subdivision 1. The fees received by the authority must
45.19 be deposited in the ~~revolving loan account established in section 41B.06~~ Rural Finance
45.20 Authority administrative account established in section 41B.03.

45.21 Sec. 66. Minnesota Statutes 2014, section 41B.055, subdivision 3, is amended to read:

45.22 Subd. 3. **Loans.** (a) The authority may participate in a livestock equipment loan
45.23 equal to 90 percent of the purchased equipment value with an eligible lender to a farmer
45.24 who is eligible under subdivision 2. Participation is limited to 45 percent of the principal
45.25 amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms
45.26 of the authority's participation interest may differ from the interest rates and repayment
45.27 terms of the lender's retained portion of the loan, but the authority's interest rate must
45.28 not exceed three percent. The authority may review the interest annually and make
45.29 adjustments as necessary.

45.30 (b) Standards for loan amortization must be set by the Rural Finance Authority
45.31 and must not exceed ten years.

45.32 (c) Security for a livestock equipment loan must be a personal note executed by the
45.33 borrower and whatever other security is required by the eligible lender or the authority.

45.34 (d) Refinancing of existing debt is not an eligible purpose.

46.1 (e) The authority may impose a reasonable, nonrefundable application fee for
 46.2 a livestock equipment loan. The authority may review the fee annually and make
 46.3 adjustments as necessary. The initial application fee is \$50. Application fees received
 46.4 by the authority must be deposited in the ~~revolving loan account established in section~~
 46.5 ~~41B.06~~ Rural Finance Authority administrative account established in section 41B.03.

46.6 (f) Loans under this program must be made using money in the revolving loan
 46.7 account established in section 41B.06.

46.8 Sec. 67. Minnesota Statutes 2014, section 41B.056, subdivision 2, is amended to read:

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

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

46.14 (c) "Specialty crops" means agricultural crops, such as annuals, flowers, perennials,
 46.15 and other horticultural products, that are intensively cultivated.

46.16 (d) "Eligible livestock" means ~~poultry that has been allowed access to the outside,~~
 46.17 ~~sheep, or goats~~ beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae,
 46.18 ratitae, bison, sheep, horses, and llamas.

46.19 Sec. 68. **[41B.057] FARM OPPORTUNITY LOAN PROGRAM.**

46.20 Subdivision 1. **Establishment.** The commissioner of agriculture shall establish a
 46.21 farm opportunity loan program to provide loans that enable farmers to:

46.22 (1) add value to crops or livestock produced in Minnesota;

46.23 (2) adopt best management practices that emphasize sufficiency and self-sufficiency;

46.24 (3) reduce or improve management of agricultural inputs resulting in environmental
 46.25 improvements; or

46.26 (4) increase production of on-farm energy.

46.27 Subd. 2. **Loan criteria.** (a) The farm opportunity loan program shall provide loans
 46.28 for purchase of new or used equipment and installation of equipment for projects that
 46.29 make environmental improvements and enhance farm profitability. The loan program
 46.30 shall also be used to add value to crops or livestock produced in Minnesota by, but not
 46.31 limited to, initiating or expanding livestock product processing; purchasing equipment to
 46.32 initiate, upgrade, or modernize value-added agricultural businesses; or increasing farmers'
 46.33 processing and aggregating capacity facilitating entry into farm-to-institution and other

47.1 markets. Eligible loan uses do not include expenses related to seeds, fertilizer, fuel, or
 47.2 other operating expenses.

47.3 (b) The authority may impose a reasonable, nonrefundable application fee for a farm
 47.4 opportunity loan. The authority may review the fee annually and make adjustments as
 47.5 necessary. The initial application fee is \$50. Application fees received by the authority
 47.6 must be deposited in the Rural Finance Authority administrative account established
 47.7 in section 41B.03.

47.8 (c) Loans may only be made to Minnesota residents engaged in farming. Standards
 47.9 for loan amortization must be set by the Rural Finance Authority and must not exceed
 47.10 ten years.

47.11 (d) The borrower must show the ability to repay the loan.

47.12 (e) Refinancing of existing debt is not an eligible expense.

47.13 (f) Loans under this program must be made using money in the revolving loan
 47.14 account established in section 41B.06.

47.15 Subd. 3. **Loan participation.** The authority may participate in a farm opportunity
 47.16 loan with an eligible lender, as defined in section 41B.02, subdivision 8, to a farmer or a
 47.17 group of farmers on joint projects who are eligible under subdivision 2, paragraph (c),
 47.18 and who are actively engaged in farming. Participation is limited to 45 percent of the
 47.19 principal amount of the loan or \$45,000 per individual, whichever is less. For loans to a
 47.20 group made up of four or more individuals, participation is limited to 45 percent of the
 47.21 principal amount of the loan or \$180,000, whichever is less. The interest rate on the
 47.22 loans must not exceed six percent.

47.23 Sec. 69. Minnesota Statutes 2014, section 41B.06, is amended to read:

47.24 **41B.06 RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.**

47.25 There is established in the rural finance administration fund a Rural Finance
 47.26 Authority revolving loan account that is eligible to receive appropriations and the transfer
 47.27 of loan funds from other programs. All repayments of financial assistance granted from
 47.28 this account, including principal and interest, must be deposited into this account. Interest
 47.29 earned on money in the account accrues to the account, and the money in the account is
 47.30 appropriated to the commissioner of agriculture for purposes of the Rural Finance Authority
 47.31 livestock equipment, methane digester, disaster recovery, value-added agricultural
 47.32 product, agroforestry, ~~and agricultural microloan,~~ and farm opportunity loan programs,
 47.33 including costs incurred by the authority to establish and administer the programs.

47.34 Sec. 70. Minnesota Statutes 2014, section 375.30, subdivision 2, is amended to read:

48.1 Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend
48.2 money as necessary to spray and otherwise eradicate wild hemp, ~~commonly known as~~
48.3 ~~marijuana~~, on private property within the county. The county board may authorize the
48.4 use of county equipment, personnel and supplies and materials to spray or otherwise
48.5 eradicate wild hemp on private property, and may pro rate the expenses involved between
48.6 the county and owner or occupant of the property. Industrial hemp grown by a person
48.7 licensed under chapter 18K is not wild hemp.

48.8 Sec. 71. **CORRECTIONAL FACILITY BUTCHER TRAINING PILOT**
48.9 **PROGRAM.**

48.10 Subdivision 1. **Pilot program.** The commissioner of agriculture must coordinate a
48.11 pilot program operated by the Northeast Regional Corrections Center to train inmates for
48.12 careers as butchers upon release. The commissioner must facilitate program development
48.13 and ensure that the program prepares inmates to meet applicable food safety and licensure
48.14 requirements.

48.15 Subd. 2. **Program development.** In facilitating development of the pilot program,
48.16 the commissioner must consult with the commissioner of employment and economic
48.17 development and a representative of each of the following organizations:

48.18 (1) Northeast Regional Corrections Center; and

48.19 (2) United Food and Commercial Workers.

48.20 Subd. 3. **Report required.** No later than February 1, 2017, the commissioner must
48.21 report on the progress and outcomes of the program to the legislative committees with
48.22 jurisdiction over agriculture, higher education, and public safety.

48.23 Subd. 4. **Expiration.** This section expires July 1, 2017.

48.24 Sec. 72. **BALANCES TRANSFERRED; ACCOUNTS ABOLISHED.**

48.25 The balances in the accounts created under Minnesota Statutes, sections 41B.03,
48.26 subdivision 6; 41B.04, subdivision 17; 41B.043, subdivision 3; and 41B.045, subdivision
48.27 4, are transferred to the Rural Finance Authority administrative account established under
48.28 Minnesota Statutes, section 41B.03, subdivision 7, and the original accounts are abolished.

48.29 The balance in the account created under Minnesota Statutes, section 17.115,
48.30 is transferred to the Rural Finance Authority revolving loan account established under
48.31 Minnesota Statutes, section 41B.06, and the original account is abolished.

48.32 Sec. 73. **LIVESTOCK INDUSTRY STUDY.**

49.1 The commissioner of agriculture must identify causes of the relative growth or
 49.2 decline of poultry and livestock production in Minnesota, Iowa, North Dakota, South
 49.3 Dakota, Wisconsin, and Nebraska over the last ten years. The commissioner shall include
 49.4 the most recent ten years of data on the number of livestock farms for each of the states
 49.5 that are compared. No later than February 1, 2016, the commissioner must report findings
 49.6 by poultry and livestock sector and provide recommendations on how to strengthen and
 49.7 expand Minnesota animal agriculture to the legislative committees with jurisdiction over
 49.8 agriculture policy and finance.

49.9 Sec. 74. **REPEALER.**

49.10 Minnesota Statutes 2014, sections 17.115; 28A.15, subdivisions 9 and 10; and
 49.11 41A.12, subdivision 4, are repealed.

49.12 **ARTICLE 3**

49.13 **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS**

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

49.15 The sums shown in the columns marked "Appropriations" are appropriated to the
 49.16 agencies and for the purposes specified in this article. The appropriations are from the
 49.17 general fund, or another named fund, and are available for the fiscal years indicated
 49.18 for each purpose. The figures "2016" and "2017" used in this article mean that the
 49.19 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 49.20 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 49.21 year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal
 49.22 year ending June 30, 2015, are effective the day following final enactment.

49.23		<u>APPROPRIATIONS</u>	
49.24		<u>Available for the Year</u>	
49.25		<u>Ending June 30</u>	
49.26		<u>2016</u>	<u>2017</u>

49.27 Sec. 2. **POLLUTION CONTROL AGENCY**

49.28	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>92,182,000</u>	<u>\$</u>	<u>91,484,000</u>
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49.29 Appropriations by Fund

49.30		<u>2016</u>	<u>2017</u>
49.31	<u>General</u>	<u>5,495,000</u>	<u>5,077,000</u>
49.32	<u>State Government</u>		
49.33	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>

50.1	<u>Environmental</u>	<u>74,130</u>	<u>74,548</u>
50.2	<u>Remediation</u>	<u>12,482,000</u>	<u>11,784,000</u>

50.3 The amounts that may be spent for each
 50.4 purpose are specified in the following
 50.5 subdivisions.

50.6	<u>Subd. 2. Water</u>	<u>26,438,000</u>	<u>26,231,000</u>
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50.7	<u>Appropriations by Fund</u>		
50.8		<u>2016</u>	<u>2017</u>
50.9	<u>General</u>	<u>4,207,000</u>	<u>3,777,000</u>
50.10	<u>State Government</u>		
50.11	<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
50.12	<u>Environmental</u>	<u>22,156,000</u>	<u>22,379,000</u>

50.13 \$1,959,000 the first year and \$1,959,000
 50.14 the second year are for grants to delegated
 50.15 counties to administer the county feedlot
 50.16 program under Minnesota Statutes, section
 50.17 116.0711, subdivisions 2 and 3. Money
 50.18 remaining after the first year is available for
 50.19 the second year.

50.20 \$753,000 the first year and \$765,000 the
 50.21 second year are from the environmental
 50.22 fund to address the need for continued
 50.23 increased activity in the areas of new
 50.24 technology review, technical assistance
 50.25 for local governments, and enforcement
 50.26 under Minnesota Statutes, sections 115.55
 50.27 to 115.58, and to complete the requirements
 50.28 of Laws 2003, chapter 128, article 1, section
 50.29 165.

50.30 \$400,000 the first year and \$400,000
 50.31 the second year are for the clean water
 50.32 partnership program. Any unexpended
 50.33 balance in the first year does not cancel but
 50.34 is available in the second year. Priority shall
 50.35 be given to projects preventing impairments

51.1 and degradation of lakes, rivers, streams,
51.2 and groundwater according to Minnesota
51.3 Statutes, section 114D.20, subdivision 2,
51.4 clause (4).

51.5 \$673,000 the first year and \$683,000 the
51.6 second year are from the environmental
51.7 fund for subsurface sewage treatment
51.8 system (SSTS) program administration
51.9 and community technical assistance and
51.10 education, including grants and technical
51.11 assistance to communities for water quality
51.12 protection. Of this amount, \$129,000 each
51.13 year is for assistance to counties through
51.14 grants for SSTS program administration.

51.15 A county receiving a grant from this
51.16 appropriation shall submit the results
51.17 achieved with the grant to the commissioner
51.18 as part of its annual SSTS report. Any
51.19 unexpended balance in the first year does not
51.20 cancel but is available in the second year.

51.21 \$107,000 the first year and \$109,000 the
51.22 second year are from the environmental fund
51.23 for registration of wastewater laboratories.

51.24 \$150,000 the first year from the
51.25 environmental fund is for wild rice water
51.26 quality rulemaking and implementation
51.27 provided for in this act. This is a onetime
51.28 appropriation.

51.29 \$200,000 the first year is for a grant to
51.30 the Red River Basin Commission for
51.31 development of a water quality strategic plan
51.32 for the Red River of the North, in cooperation
51.33 with the Red River Board of the International
51.34 Joint Commission. The appropriation
51.35 must be matched by equal amounts from

52.1 both North Dakota and Manitoba and a
 52.2 proportionate amount from South Dakota.
 52.3 This is a onetime appropriation and does
 52.4 not cancel. The plan must include, but is
 52.5 not limited to, consistency in water quality
 52.6 goals and objectives for the Red River of the
 52.7 North and pollution reduction allocations for
 52.8 both point and nonpoint sources on the Red
 52.9 River of the North and for individual major
 52.10 watersheds tributary to the Red River of the
 52.11 North. The Red River Basin Commission
 52.12 must involve the interests of local, state, and
 52.13 federal government, business and industry,
 52.14 environmental groups, and Red River
 52.15 basin landowners. The Red River Basin
 52.16 Commission must report progress on the plan
 52.17 to the house of representatives and senate
 52.18 committees and divisions with jurisdiction
 52.19 over environment policy and finance by
 52.20 February 15 in 2016 and 2017 and must
 52.21 submit the completed plan by December 31,
 52.22 2017.

52.23 Notwithstanding Minnesota Statutes, section
 52.24 16A.28, the appropriations encumbered on or
 52.25 before June 30, 2017, as grants or contracts
 52.26 for SSTS's, surface water and groundwater
 52.27 assessments, total maximum daily loads,
 52.28 storm water, and water quality protection in
 52.29 this subdivision are available until June 30,
 52.30 2020.

52.31 Subd. 3. Air 15,640,000 16,087,000

52.32	<u>Appropriations by Fund</u>	
52.33	<u>2016</u>	<u>2017</u>
52.34	<u>15,640,000</u>	<u>16,087,000</u>

53.1 \$202,000 the first year and \$204,000 the
 53.2 second year are from the environmental fund
 53.3 for a monitoring program under Minnesota
 53.4 Statutes, section 116.454.

53.5 Up to \$150,000 the first year and \$150,000
 53.6 the second year may be transferred from the
 53.7 environmental fund to the small business
 53.8 environmental improvement loan account
 53.9 established in Minnesota Statutes, section
 53.10 116.993.

53.11 \$126,000 the first year and \$127,000 the
 53.12 second year are from the environmental fund
 53.13 for monitoring ambient air for hazardous
 53.14 pollutants in the metropolitan area.

53.15 \$214,000 the first year and \$219,000 the
 53.16 second year are from the environmental
 53.17 fund for systematic, localized monitoring
 53.18 efforts in the state that sample ambient air
 53.19 to determine whether significant localized
 53.20 differences exist. The commissioner, when
 53.21 selecting areas to monitor, shall give priority
 53.22 to areas where low income, indigenous
 53.23 American Indians, and communities of
 53.24 color are disproportionately impacted by
 53.25 pollution from highway traffic, air traffic,
 53.26 and industrial sources.

53.27 \$691,000 the first year and \$693,000 the
 53.28 second year are from the environmental
 53.29 fund for emission reduction activities and
 53.30 grants to small businesses and other nonpoint
 53.31 emission reduction efforts. Any unexpended
 53.32 balance in the first year does not cancel but is
 53.33 available in the second year.

53.34 Subd. 4. Land 19,513,000 18,934,000

54.1	<u>Appropriations by Fund</u>	
54.2	<u>2016</u>	<u>2017</u>
54.3	<u>Environmental</u>	<u>7,031,000</u>
54.4	<u>Remediation</u>	<u>7,150,000</u>
54.5	<u>All money for environmental response,</u>	
54.6	<u>compensation, and compliance in the</u>	
54.7	<u>remediation fund not otherwise appropriated</u>	
54.8	<u>is appropriated to the commissioners of the</u>	
54.9	<u>Pollution Control Agency and agriculture</u>	
54.10	<u>for purposes of Minnesota Statutes, section</u>	
54.11	<u>115B.20, subdivision 2, clauses (1), (2),</u>	
54.12	<u>(3), (6), and (7). At the beginning of each</u>	
54.13	<u>fiscal year, the two commissioners shall</u>	
54.14	<u>jointly submit an annual spending plan</u>	
54.15	<u>to the commissioner of management and</u>	
54.16	<u>budget that maximizes the utilization of</u>	
54.17	<u>resources and appropriately allocates the</u>	
54.18	<u>money between the two departments. This</u>	
54.19	<u>appropriation is available until June 30, 2017.</u>	
54.20	<u>\$4,279,000 the first year and \$4,343,000 the</u>	
54.21	<u>second year are from the remediation fund</u>	
54.22	<u>for purposes of the leaking underground</u>	
54.23	<u>storage tank program to investigate, clean up,</u>	
54.24	<u>and prevent future releases from underground</u>	
54.25	<u>petroleum storage tanks, and to the petroleum</u>	
54.26	<u>remediation program for purposes of vapor</u>	
54.27	<u>assessment and remediation. These same</u>	
54.28	<u>annual amounts are transferred from the</u>	
54.29	<u>petroleum tank fund to the remediation fund.</u>	
54.30	<u>\$252,000 the first year and \$252,000 the</u>	
54.31	<u>second year are from the remediation fund</u>	
54.32	<u>for transfer to the commissioner of health for</u>	
54.33	<u>private water supply monitoring and health</u>	
54.34	<u>assessment costs in areas contaminated</u>	
54.35	<u>by unpermitted mixed municipal solid</u>	
54.36	<u>waste disposal facilities and drinking water</u>	

55.1 advisories and public information activities
 55.2 for areas contaminated by hazardous releases.
 55.3 \$868,000 the first year from the general
 55.4 account in the remediation fund is for
 55.5 deposit in the dry cleaner environmental
 55.6 response and reimbursement account
 55.7 in the remediation fund for the purpose
 55.8 of remediating land contaminated by a
 55.9 release from a dry cleaning facility, as
 55.10 provided under Minnesota Statutes, section
 55.11 115B.50. The commissioner shall prioritize
 55.12 expenditures from this appropriation to
 55.13 address contaminated sites that pose the
 55.14 greatest risk to public health or welfare or to
 55.15 the environment, as established in Minnesota
 55.16 Statutes, section 115B.17, subdivision 13.

55.17 This is a onetime appropriation.
 55.18 \$868,000 the first year is from the
 55.19 remediation fund for a grant to the city
 55.20 of Mountain Iron for remediation of the
 55.21 abandoned wastewater treatment pond of the
 55.22 former Nichols Township. This is a onetime
 55.23 appropriation that does not cancel.

55.24 **Subd. 5. Environmental Assistance and**
 55.25 **Cross-Media**

30,591,000

30,232,000

55.26	<u>Appropriations by Fund</u>	
55.27	<u>2016</u>	<u>2017</u>
55.28	<u>Environmental</u>	<u>29,303,000</u>
55.29	<u>General</u>	<u>1,288,000</u>
		<u>1,300,000</u>

55.30 \$17,820,000 the first year and \$17,943,000
 55.31 the second year are from the environmental
 55.32 fund for SCORE block grants to counties.
 55.33 \$119,000 the first year and \$119,000 the
 55.34 second year are from the environmental
 55.35 fund for environmental assistance grants

56.1 or loans under Minnesota Statutes, section
56.2 115A.0716. Any unencumbered grant and
56.3 loan balances in the first year do not cancel
56.4 but are available for grants and loans in the
56.5 second year.

56.6 \$90,000 the first year and \$90,000 the
56.7 second year are from the environmental fund
56.8 for duties related to harmful chemicals in
56.9 products under Minnesota Statutes, sections
56.10 116.9401 to 116.9407. Of this amount,
56.11 \$57,000 each year is transferred to the
56.12 commissioner of health.

56.13 \$203,000 the first year and \$207,000 the
56.14 second year are from the environmental
56.15 fund for the costs of implementing general
56.16 operating permits for feedlots over 1,000
56.17 animal units.

56.18 \$562,000 the first year and \$562,000 the
56.19 second year are from the general fund and
56.20 \$192,000 the first year and \$192,000 the
56.21 second year are from the environmental fund
56.22 for Environmental Quality Board operations
56.23 and support.

56.24 \$500,000 the first year from the
56.25 environmental fund is a onetime
56.26 appropriation to the Environmental Quality
56.27 Board for development of a Web-based
56.28 environmental review tool.

56.29 \$50,000 the first year and \$50,000 the second
56.30 year are from the environmental fund for
56.31 transfer to the Office of Administrative
56.32 Hearings to establish sanitary districts.

56.33 \$500,000 the first year and \$500,000 the
56.34 second year are from the general fund for
56.35 the Environmental Quality Board to lead

57.1 an interagency team to provide technical
57.2 assistance regarding the mining, processing,
57.3 and transporting of silica sand.

57.4 All money deposited in the environmental
57.5 fund for the metropolitan solid waste
57.6 landfill fee in accordance with Minnesota
57.7 Statutes, section 473.843, and not otherwise
57.8 appropriated, is appropriated for the purposes
57.9 of Minnesota Statutes, section 473.844.

57.10 Notwithstanding Minnesota Statutes, section
57.11 16A.28, the appropriations encumbered on
57.12 or before June 30, 2017, as contracts or
57.13 grants for surface water and groundwater
57.14 assessments; environmental assistance
57.15 awarded under Minnesota Statutes, section
57.16 115A.0716; technical and research assistance
57.17 under Minnesota Statutes, section 115A.152;
57.18 technical assistance under Minnesota
57.19 Statutes, section 115A.52; and pollution
57.20 prevention assistance under Minnesota
57.21 Statutes, section 115D.04, are available until
57.22 June 30, 2019.

57.23 Subd. 6. **Remediation Fund**

57.24 The commissioner shall transfer up to
57.25 \$42,000,000 from the environmental fund to
57.26 the remediation fund for the purposes of the
57.27 remediation fund under Minnesota Statutes,
57.28 section 116.155, subdivision 2.

57.29 Subd. 7. **Transfer**

57.30 By July 1, 2016, the commissioner of
57.31 management and budget shall transfer
57.32 \$33,276,000 from the closed landfill
57.33 investment fund to the general fund.

57.34 Sec. 3. **NATURAL RESOURCES**

58.1 Subdivision 1. Total Appropriation \$ 268,557,000 \$ 262,788,000

58.2 Appropriations by Fund

58.3	<u>2016</u>	<u>2017</u>
58.4	<u>77,239,000</u>	<u>75,494,000</u>
58.5	<u>84,786,000</u>	<u>85,236,000</u>
58.6	<u>106,232,000</u>	<u>101,758,000</u>
58.7	<u>100,000</u>	<u>100,000</u>
58.8	<u>200,000</u>	<u>200,000</u>

58.9 The amounts that may be spent for each
 58.10 purpose are specified in the following
 58.11 subdivisions.

58.12 Subd. 2. Land and Mineral Resources
 58.13 Management

5,461,000

5,521,000

58.14 Appropriations by Fund

58.15	<u>2016</u>	<u>2017</u>
58.16	<u>1,585,000</u>	<u>1,585,000</u>
58.17	<u>3,332,000</u>	<u>3,342,000</u>
58.18	<u>344,000</u>	<u>344,000</u>
58.19	<u>200,000</u>	<u>200,000</u>

58.20 \$68,000 the first year and \$68,000 the
 58.21 second year are for minerals cooperative
 58.22 environmental research, of which \$34,000
 58.23 the first year and \$34,000 the second year are
 58.24 available only as matched by \$1 of nonstate
 58.25 money for each \$1 of state money. The
 58.26 match may be cash or in-kind.

58.27 \$251,000 the first year and \$251,000 the
 58.28 second year are for iron ore cooperative
 58.29 research. Of this amount, \$200,000 each year
 58.30 is from the minerals management account
 58.31 in the natural resources fund. \$175,000 the
 58.32 first year and \$175,000 the second year are
 58.33 available only as matched by \$1 of nonstate
 58.34 money for each \$1 of state money. The match
 58.35 may be cash or in-kind. Any unencumbered

59.1 balance from the first year does not cancel
 59.2 and is available in the second year.
 59.3 \$2,755,000 the first year and \$2,815,000
 59.4 the second year are from the minerals
 59.5 management account in the natural resources
 59.6 fund for use as provided in Minnesota
 59.7 Statutes, section 93.2236, paragraph (c),
 59.8 for mineral resource management, projects
 59.9 to enhance future mineral income, and
 59.10 projects to promote new mineral resource
 59.11 opportunities.

59.12 \$200,000 the first year and \$200,000 the
 59.13 second year are from the state forest suspense
 59.14 account in the permanent school fund to
 59.15 accelerate land exchanges, land sales, and
 59.16 commercial leasing of school trust lands and
 59.17 to identify, evaluate, and lease construction
 59.18 aggregate located on school trust lands. This
 59.19 appropriation is to be used for securing
 59.20 long-term economic return from the
 59.21 school trust lands consistent with fiduciary
 59.22 responsibilities and sound natural resources
 59.23 conservation and management principles.

59.24 **Subd. 3. Ecological and Water Resources** 32,768,000 32,506,000

59.25	<u>Appropriations by Fund</u>	
59.26	<u>2016</u>	<u>2017</u>
59.27	<u>General</u>	<u>17,491,000</u> <u>17,046,000</u>
59.28	<u>Natural Resources</u>	<u>10,487,000</u> <u>10,546,000</u>
59.29	<u>Game and Fish</u>	<u>4,790,000</u> <u>4,914,000</u>

59.30 \$3,242,000 the first year and \$3,242,000 the
 59.31 second year are from the invasive species
 59.32 account in the natural resources fund and
 59.33 \$3,206,000 the first year and \$3,206,000 the
 59.34 second year are from the general fund for
 59.35 management, public awareness, assessment
 59.36 and monitoring research, and water access

60.1 inspection to prevent the spread of invasive
60.2 species; management of invasive plants in
60.3 public waters; and management of terrestrial
60.4 invasive species on state-administered lands.

60.5 \$3,000,000 the first year and \$5,000,000 the
60.6 second year are from the water management
60.7 account in the natural resources fund for only
60.8 the purposes specified in Minnesota Statutes,
60.9 section 103G.27, subdivision 2.

60.10 \$124,000 the first year and \$124,000 the
60.11 second year are for a grant to the Mississippi
60.12 Headwaters Board for up to 50 percent of
60.13 the cost of implementing the comprehensive
60.14 plan for the upper Mississippi within areas
60.15 under the board's jurisdiction.

60.16 \$10,000 the first year and \$10,000 the second
60.17 year are for payment to the Leech Lake Band
60.18 of Chippewa Indians to implement the band's
60.19 portion of the comprehensive plan for the
60.20 upper Mississippi.

60.21 \$264,000 the first year and \$264,000 the
60.22 second year are for grants for up to 50
60.23 percent of the cost of implementation of the
60.24 Red River mediation agreement.

60.25 \$2,393,000 the first year and \$2,393,000
60.26 the second year are from the heritage
60.27 enhancement account in the game and
60.28 fish fund for only the purposes specified
60.29 in Minnesota Statutes, section 297A.94,
60.30 paragraph (e), clause (1).

60.31 \$950,000 the first year and \$950,000 the
60.32 second year are from the nongame wildlife
60.33 management account in the natural resources
60.34 fund for the purpose of nongame wildlife
60.35 management. Notwithstanding Minnesota

61.1 Statutes, section 290.431, \$100,000 the first
61.2 year and \$100,000 the second year may
61.3 be used for nongame wildlife information,
61.4 education, and promotion.

61.5 \$6,000,000 the first year and \$6,000,000 the
61.6 second year are from the general fund for the
61.7 following activities:

61.8 (1) financial reimbursement and technical
61.9 support to soil and water conservation
61.10 districts or other local units of government
61.11 for groundwater level monitoring;

61.12 (2) surface water monitoring and analysis,
61.13 including installation of monitoring gauges;

61.14 (3) groundwater analysis to assist with water
61.15 appropriation permitting decisions;

61.16 (4) permit application review incorporating
61.17 surface water and groundwater technical
61.18 analysis;

61.19 (5) precipitation data and analysis to improve
61.20 the use of irrigation;

61.21 (6) information technology, including
61.22 electronic permitting and integrated data
61.23 systems; and

61.24 (7) compliance and monitoring.

61.25 \$150,000 is for the commissioner of
61.26 natural resources, in cooperation with the
61.27 commissioners of the Pollution Control
61.28 Agency and health, the Public Facilities
61.29 Authority, and local units of government to
61.30 conduct a study and report to the legislature
61.31 on:

61.32 (1) the feasibility of constructing
61.33 a wastewater treatment facility for
61.34 communities surrounding White Bear Lake

62.1 that will provide treated wastewater to be
 62.2 used to augment water levels in White Bear
 62.3 Lake; and
 62.4 (2) design and construction of an
 62.5 augmentation supply from Sucker Lake
 62.6 to White Bear Lake. The commissioner
 62.7 shall submit the report to the chairs and
 62.8 ranking minority members of the legislative
 62.9 committees and divisions with jurisdiction
 62.10 over environment and natural resources
 62.11 policy and finance no later than January 15,
 62.12 2016.

62.13 \$400,000 the first year is for grants to assist
 62.14 in the construction of flood protection rural
 62.15 and farmstead ring levees in the Red River
 62.16 watershed. Grants may not exceed 50 percent
 62.17 of the cost of the projects. This is a onetime
 62.18 appropriation and does not cancel.

62.19 Subd. 4. Forest Management 41,211,000 40,360,000

62.20	<u>Appropriations by Fund</u>		
62.21		<u>2016</u>	<u>2017</u>
62.22	<u>General</u>	<u>28,801,000</u>	<u>27,950,000</u>
62.23	<u>Natural Resources</u>	<u>11,123,000</u>	<u>11,123,000</u>
62.24	<u>Game and Fish</u>	<u>1,287,000</u>	<u>1,287,000</u>

62.25 \$7,145,000 the first year and \$7,145,000
 62.26 the second year are for prevention,
 62.27 presuppression, and suppression costs of
 62.28 emergency firefighting and other costs
 62.29 incurred under Minnesota Statutes, section
 62.30 88.12. The amount necessary to pay for
 62.31 presuppression and suppression costs during
 62.32 the biennium is appropriated from the general
 62.33 fund.
 62.34 By January 15 of each year, the commissioner
 62.35 of natural resources shall submit a report to

63.1 the chairs and ranking minority members
63.2 of the house and senate committees
63.3 and divisions having jurisdiction over
63.4 environment and natural resources finance,
63.5 identifying all firefighting costs incurred
63.6 and reimbursements received in the prior
63.7 fiscal year. These appropriations may
63.8 not be transferred. Any reimbursement
63.9 of firefighting expenditures made to the
63.10 commissioner from any source other than
63.11 federal mobilizations shall be deposited into
63.12 the general fund.

63.13 \$11,123,000 the first year and \$11,123,000
63.14 the second year are from the forest
63.15 management investment account in the
63.16 natural resources fund for only the purposes
63.17 specified in Minnesota Statutes, section
63.18 89.039, subdivision 2.

63.19 \$1,287,000 the first year and \$1,287,000
63.20 the second year are from the heritage
63.21 enhancement account in the game and fish
63.22 fund to advance ecological classification
63.23 systems (ECS) scientific management tools
63.24 for forest and invasive species management.

63.25 This appropriation is from revenue deposited
63.26 in the game and fish fund under Minnesota
63.27 Statutes, section 297A.94, paragraph (e),
63.28 clause (1).

63.29 \$880,000 the first year and \$880,000 the
63.30 second year are for the Forest Resources
63.31 Council for implementation of the
63.32 Sustainable Forest Resources Act.

63.33 \$1,255,000 the first year is for a pilot
63.34 program to increase forest road maintenance.
63.35 The commissioner shall use the money to

64.1 perform needed maintenance on forest roads
 64.2 in conjunction with timber sales. Optional
 64.3 forest road maintenance contracts may be
 64.4 offered to successful purchasers of state
 64.5 timber sales at the commissioner's discretion.

64.6 This is a onetime appropriation.

64.7 \$250,000 the first year and \$250,000 the
 64.8 second year are for the FORIST system.

64.9 The commissioner shall contract with a
 64.10 telecommunication provider to place a cell
 64.11 phone transmitter on the ranger tower on
 64.12 Side Lake in St. Louis County.

64.13 Subd. 5. Parks and Trails Management 73,414,000 73,800,000

64.14	<u>Appropriations by Fund</u>	
64.15	<u>2016</u>	<u>2017</u>
64.16	<u>General</u>	<u>23,627,000</u> <u>23,777,000</u>
64.17	<u>Natural Resources</u>	<u>47,521,000</u> <u>47,750,000</u>
64.18	<u>Game and Fish</u>	<u>2,266,000</u> <u>2,273,000</u>

64.19 \$1,075,000 the first year and \$1,075,000 the
 64.20 second year are from the water recreation
 64.21 account in the natural resources fund for
 64.22 enhancing public water access facilities.

64.23 \$5,740,000 the first year and \$5,740,000 the
 64.24 second year are from the natural resources
 64.25 fund for state trail, park, and recreation area
 64.26 operations. This appropriation is from the
 64.27 revenue deposited in the natural resources
 64.28 fund under Minnesota Statutes, section
 64.29 297A.94, paragraph (e), clause (2).

64.30 \$1,005,000 the first year and \$1,005,000 the
 64.31 second year are from the natural resources
 64.32 fund for park and trail grants to local units of
 64.33 government on land to be maintained for at
 64.34 least 20 years for the purposes of the grants.
 64.35 This appropriation is from the revenue

65.1 deposited in the natural resources fund
65.2 under Minnesota Statutes, section 297A.94,
65.3 paragraph (e), clause (4). Any unencumbered
65.4 balance does not cancel at the end of the first
65.5 year and is available for the second year.
65.6 \$8,424,000 the first year and \$8,424,000
65.7 the second year are from the snowmobile
65.8 trails and enforcement account in the
65.9 natural resources fund for the snowmobile
65.10 grants-in-aid program. Any unencumbered
65.11 balance does not cancel at the end of the first
65.12 year and is available for the second year.
65.13 \$1,460,000 the first year and \$1,460,000 the
65.14 second year are from the natural resources
65.15 fund for the off-highway vehicle grants-in-aid
65.16 program. Of this amount, \$1,210,000 each
65.17 year is from the all-terrain vehicle account;
65.18 \$150,000 each year is from the off-highway
65.19 motorcycle account; and \$100,000 each year
65.20 is from the off-road vehicle account. Any
65.21 unencumbered balance does not cancel at the
65.22 end of the first year and is available for the
65.23 second year.
65.24 \$968,000 the first year and \$968,000 the
65.25 second year are from the off-road vehicle
65.26 account in the natural resources fund. Of
65.27 this amount, \$568,000 each year is for parks
65.28 and trails management for off-road vehicle
65.29 purposes; \$325,000 is for the off-road
65.30 vehicle grant-in-aid program; and \$75,000
65.31 is for a new full-time employee position or
65.32 contract in northern Minnesota to work in
65.33 conjunction with the Minnesota Four-Wheel
65.34 Drive Association to address off-road vehicle
65.35 touring routes and other issues related to

66.1 off-road vehicle activities. This is a onetime
66.2 appropriation.

66.3 \$75,000 the first year and \$75,000 the second
66.4 year are from the cross-country ski account
66.5 in the natural resources fund for grooming
66.6 and maintaining cross-country ski trails in
66.7 state parks, trails, and recreation areas.

66.8 \$250,000 the first year and \$250,000 the
66.9 second year are from the state land and
66.10 water conservation account (LAWCON)
66.11 in the natural resources fund for priorities
66.12 established by the commissioner for eligible
66.13 state projects and administrative and
66.14 planning activities consistent with Minnesota
66.15 Statutes, section 84.0264, and the federal
66.16 Land and Water Conservation Fund Act.

66.17 Any unencumbered balance does not cancel
66.18 at the end of the first year and is available for
66.19 the second year.

66.20 \$65,000 the first year is from the water
66.21 recreation account in the natural resources
66.22 fund to cooperate with local units of
66.23 government in marking routes and
66.24 designating river accesses and campsites
66.25 under Minnesota Statutes, section 85.32.

66.26 This is a onetime appropriation and does not
66.27 cancel.

66.28 \$190,000 the first year is for a grant to the
66.29 city of Virginia for the additional cost of
66.30 supporting a trail due to the rerouting of
66.31 U.S. Highway No. 53. This is a onetime
66.32 appropriation and does not cancel.

66.33 \$50,000 the first year is for development of
66.34 a master plan for the Mississippi Blufflands
66.35 Trail, including work on possible extensions

67.1 or connections to other state or regional
 67.2 trails. This is a onetime appropriation that is
 67.3 available until June 30, 2017.

67.4 \$61,000 the first year is for a grant to the
 67.5 city of East Grand Forks for payment under
 67.6 a reciprocity agreement for the Red River
 67.7 State Recreation Area.

67.8 All money received by the state from the
 67.9 United States Army Corps of Engineers as
 67.10 reimbursement for state capital expenditures
 67.11 at McQuade Harbor, estimated to be
 67.12 \$1,605,775, must be credited to the bond
 67.13 proceeds fund and is appropriated to the
 67.14 commissioner of natural resources: (1) to
 67.15 design and renovate the marina at Knife
 67.16 River; (2) to improve the boat launch at the
 67.17 safe harbor at Grand Marais; and (3) for site
 67.18 cleanup, design, and construction of facilities
 67.19 at the proposed small craft harbor in Two
 67.20 Harbors. This appropriation is available until
 67.21 June 30, 2019.

67.22 Subd. 6. **Fish and Wildlife Management** 75,320,000 71,003,000

67.23 Appropriations by Fund

67.24		<u>2016</u>	<u>2017</u>
67.25	<u>Natural Resources</u>	<u>1,908,000</u>	<u>1,912,000</u>
67.26	<u>Game and Fish</u>	<u>73,412,000</u>	<u>69,091,000</u>

67.27 \$8,167,000 the first year and \$8,167,000
 67.28 the second year are from the heritage
 67.29 enhancement account in the game and fish
 67.30 fund only for activities specified in Minnesota
 67.31 Statutes, section 297A.94, paragraph (e),
 67.32 clause (1). Notwithstanding Minnesota
 67.33 Statutes, section 297A.94, five percent of
 67.34 this appropriation may be used for expanding
 67.35 hunter and angler recruitment and retention.

68.1 \$5,000,000 the first year from the game
 68.2 and fish fund is for trap, skeet, and archery
 68.3 shooting sports facility grants under
 68.4 Minnesota Statutes, section 87A.10. This is
 68.5 a onetime appropriation and is available until
 68.6 June 30, 2018.

68.7 Notwithstanding Minnesota Statutes, section
 68.8 84.943, \$13,000 the first year and \$13,000
 68.9 the second year from the critical habitat
 68.10 private sector matching account may be used
 68.11 to publicize the critical habitat license plate
 68.12 match program.

68.13 Subd. 7. Enforcement 39,313,000 38,528,000

68.14	<u>Appropriations by Fund</u>	
68.15	<u>2016</u>	<u>2017</u>
68.16 <u>General</u>	<u>4,985,000</u>	<u>4,386,000</u>
68.17 <u>Natural Resources</u>	<u>10,095,000</u>	<u>10,193,000</u>
68.18 <u>Game and Fish</u>	<u>24,133,000</u>	<u>23,849,000</u>
68.19 <u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

68.20 \$870,000 the first year and \$130,000 the
 68.21 second year from the general fund and
 68.22 \$1,330,000 the first year and \$220,000 the
 68.23 second year from the game and fish fund are
 68.24 for aviation services. This appropriation is
 68.25 onetime.

68.26 \$1,718,000 the first year and \$1,718,000 the
 68.27 second year are from the general fund for
 68.28 enforcement efforts to prevent the spread of
 68.29 aquatic invasive species.

68.30 \$1,520,000 the first year and \$1,563,000
 68.31 the second year are from the heritage
 68.32 enhancement account in the game and
 68.33 fish fund for only the purposes specified
 68.34 in Minnesota Statutes, section 297A.94,
 68.35 paragraph (e), clause (1). The base for these

69.1 purposes in fiscal year 2018 and thereafter is
69.2 \$1,590,000.

69.3 \$1,082,000 the first year and \$1,082,000 the
69.4 second year are from the water recreation
69.5 account in the natural resources fund for
69.6 grants to counties for boat and water safety.

69.7 Any unencumbered balance does not cancel
69.8 at the end of the first year and is available for
69.9 the second year.

69.10 \$315,000 the first year and \$315,000 the
69.11 second year are from the snowmobile
69.12 trails and enforcement account in the
69.13 natural resources fund for grants to local
69.14 law enforcement agencies for snowmobile
69.15 enforcement activities. Any unencumbered
69.16 balance does not cancel at the end of the first
69.17 year and is available for the second year.

69.18 \$250,000 the first year and \$250,000
69.19 the second year are from the all-terrain
69.20 vehicle account for grants to qualifying
69.21 organizations to assist in safety and
69.22 environmental education and monitoring
69.23 trails on public lands under Minnesota
69.24 Statutes, section 84.9011. Grants issued
69.25 under this paragraph must be issued through
69.26 a formal agreement with the organization.

69.27 By December 15 each year, an organization
69.28 receiving a grant under this paragraph shall
69.29 report to the commissioner with details on
69.30 expenditures and outcomes from the grant.

69.31 Of this appropriation, \$25,000 each year
69.32 is for administration of these grants. Any
69.33 unencumbered balance does not cancel at the
69.34 end of the first year and is available for the
69.35 second year.

70.1 \$510,000 the first year and \$510,000
 70.2 the second year are from the natural
 70.3 resources fund for grants to county law
 70.4 enforcement agencies for off-highway
 70.5 vehicle enforcement and public education
 70.6 activities based on off-highway vehicle use
 70.7 in the county. Of this amount, \$498,000 each
 70.8 year is from the all-terrain vehicle account;
 70.9 \$11,000 each year is from the off-highway
 70.10 motorcycle account; and \$1,000 each year
 70.11 is from the off-road vehicle account. The
 70.12 county enforcement agencies may use
 70.13 money received under this appropriation
 70.14 to make grants to other local enforcement
 70.15 agencies within the county that have a high
 70.16 concentration of off-highway vehicle use.
 70.17 Of this appropriation, \$25,000 each year
 70.18 is for administration of these grants. Any
 70.19 unencumbered balance does not cancel at the
 70.20 end of the first year and is available for the
 70.21 second year.

70.22 **Subd. 8. Operations Support** 1,070,000 1,070,000

70.23	<u>Appropriations by Fund</u>	
70.24	<u>2016</u>	<u>2017</u>
70.25	<u>750,000</u>	<u>750,000</u>
70.26	<u>320,000</u>	<u>320,000</u>

70.27 \$320,000 the first year and \$320,000 the
 70.28 second year are from the natural resources
 70.29 fund for grants to be divided equally between
 70.30 the city of St. Paul for the Como Park Zoo
 70.31 and Conservatory and the city of Duluth
 70.32 for the Duluth Zoo. This appropriation
 70.33 is from the revenue deposited to the fund
 70.34 under Minnesota Statutes, section 297A.94,
 70.35 paragraph (e), clause (5).

71.1 \$500,000 each year is for legal costs related
 71.2 to water management. This is a onetime
 71.3 appropriation and is available until June 30,
 71.4 2018.

71.5 Money appropriated in this section may not
 71.6 be spent on a new contract for a call center
 71.7 that is located outside the state of Minnesota.

71.8 Sec. 4. **BOARD OF WATER AND SOIL**
 71.9 **RESOURCES**

\$ 13,959,000 \$ 13,133,000

71.10 \$3,423,000 the first year and \$3,423,000 the
 71.11 second year are for natural resources block
 71.12 grants to local governments. Grants must be
 71.13 matched with a combination of local cash or
 71.14 in-kind contributions. The base grant portion
 71.15 related to water planning must be matched
 71.16 by an amount as specified by Minnesota
 71.17 Statutes, section 103B.3369. The board may
 71.18 reduce the amount of the natural resources
 71.19 block grant to a county by an amount equal to
 71.20 any reduction in the county's general services
 71.21 allocation to a soil and water conservation
 71.22 district from the county's previous year
 71.23 allocation when the board determines that
 71.24 the reduction was disproportionate.

71.25 \$3,116,000 the first year and \$3,116,000 the
 71.26 second year are for grants to soil and water
 71.27 conservation districts for general purposes,
 71.28 nonpoint engineering, and implementation of
 71.29 the reinvest in Minnesota reserve program.
 71.30 Expenditures may be made from these
 71.31 appropriations for supplies and services
 71.32 benefiting soil and water conservation
 71.33 districts. Any district receiving a grant under
 71.34 this paragraph shall maintain a Web page that
 71.35 publishes, at a minimum, its annual report,

72.1 annual audit, annual budget, and meeting
72.2 notices.

72.3 \$1,560,000 the first year and \$1,560,000 the
72.4 second year are for the following cost-share
72.5 programs:

72.6 (1) \$260,000 each year is for feedlot water
72.7 quality grants for feedlots under 300 animal
72.8 units and nutrient and manure management
72.9 projects in watersheds where there are
72.10 impaired waters;

72.11 (2) \$1,200,000 each year is for soil and
72.12 water conservation district cost-sharing
72.13 contracts for perennially vegetated riparian
72.14 buffers, erosion control, water retention
72.15 and treatment, and other high-priority
72.16 conservation practices; and

72.17 (3) \$100,000 each year is for county
72.18 cooperative weed management programs and
72.19 to restore native plants in selected invasive
72.20 species management sites by providing local
72.21 native seeds and plants to landowners for
72.22 implementation.

72.23 \$800,000 the first year and \$750,000
72.24 the second year are for implementation,
72.25 enforcement, and oversight of the Wetland
72.26 Conservation Act.

72.27 \$166,000 the first year and \$166,000
72.28 the second year are to provide technical
72.29 assistance to local drainage management
72.30 officials and for the costs of the Drainage
72.31 Work Group.

72.32 \$100,000 the first year and \$100,000
72.33 the second year are for a grant to the
72.34 Red River Basin Commission for water

73.1 quality and floodplain management,
 73.2 including administration of programs. This
 73.3 appropriation must be matched by nonstate
 73.4 funds. If the appropriation in either year is
 73.5 insufficient, the appropriation in the other
 73.6 year is available for it.

73.7 \$120,000 the first year and \$120,000
 73.8 the second year are for grants to Area
 73.9 II Minnesota River Basin Projects for
 73.10 floodplain management.

73.11 Notwithstanding Minnesota Statutes, section
 73.12 103C.501, the board may shift cost-share
 73.13 funds in this section and may adjust the
 73.14 technical and administrative assistance
 73.15 portion of the grant funds to leverage
 73.16 federal or other nonstate funds or to address
 73.17 high-priority needs identified in local water
 73.18 management plans or comprehensive water
 73.19 management plans.

73.20 \$750,000 the first year is for purposes of
 73.21 Minnesota Statutes, section 103F.519. This
 73.22 appropriation is onetime and is available
 73.23 until June 30, 2017.

73.24 The appropriations for grants in this
 73.25 section are available until expended. If an
 73.26 appropriation for grants in either year is
 73.27 insufficient, the appropriation in the other
 73.28 year is available for it.

73.29 Sec. 5. METROPOLITAN COUNCIL \$ 8,540,000 \$ 8,540,000

73.30	<u>Appropriations by Fund</u>		
73.31		<u>2016</u>	<u>2017</u>
73.32	<u>General</u>	<u>2,870,000</u>	<u>2,870,000</u>
73.33	<u>Natural Resources</u>	<u>5,670,000</u>	<u>5,670,000</u>

74.1 \$2,870,000 the first year and \$2,870,000 the
 74.2 second year are for metropolitan area regional
 74.3 parks operation and maintenance according
 74.4 to Minnesota Statutes, section 473.351.

74.5 \$5,670,000 the first year and \$5,670,000 the
 74.6 second year are from the natural resources
 74.7 fund for metropolitan area regional parks
 74.8 and trails maintenance and operations. This
 74.9 appropriation is from the revenue deposited
 74.10 in the natural resources fund under Minnesota
 74.11 Statutes, section 297A.94, paragraph (e),
 74.12 clause (3).

74.13 **Sec. 6. CONSERVATION CORPS**
 74.14 **MINNESOTA**

\$ 945,000 \$ 945,000

74.15 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
74.16		
74.17 <u>General</u>	<u>455,000</u>	<u>455,000</u>
74.18 <u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

74.19 Conservation Corps Minnesota may receive
 74.20 money appropriated from the natural
 74.21 resources fund under this section only
 74.22 as provided in an agreement with the
 74.23 commissioner of natural resources.

74.24 **Sec. 7. ZOOLOGICAL BOARD**

\$ 8,410,000 \$ 8,410,000

74.25 Appropriations by Fund

	<u>2016</u>	<u>2017</u>
74.26		
74.27 <u>General</u>	<u>8,250,000</u>	<u>8,250,000</u>
74.28 <u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

74.29 \$160,000 the first year and \$160,000 the
 74.30 second year are from the natural resources
 74.31 fund from the revenue deposited under
 74.32 Minnesota Statutes, section 297A.94,
 74.33 paragraph (e), clause (5).

74.34 **Sec. 8. SCIENCE MUSEUM**

\$ 1,079,000 \$ 1,079,000

75.1 **ARTICLE 4**

75.2 **ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES**

75.3 Section 1. Minnesota Statutes 2014, section 13.7411, subdivision 8, is amended to read:

75.4 Subd. 8. **Pollution Control Agency.** (a) Hazardous waste generators.

75.5 Information provided by hazardous waste generators under section 473.151 and for which
75.6 confidentiality is claimed is governed by section 116.075, subdivision 2.

75.7 (b) Priority chemicals. Trade secret information and other information submitted
75.8 to the Pollution Control Agency related to priority chemicals in children's products are
75.9 governed by section 116.9408.

75.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

75.11 Sec. 2. Minnesota Statutes 2014, section 84.415, subdivision 7, is amended to read:

75.12 Subd. 7. ~~Existing road right-of-way;~~ **Application fee exemption.** (a) A utility
75.13 license for crossing public lands or public waters is exempt from all application fees
75.14 specified in this section and in rules adopted under this section ~~when the utility crossing is~~
75.15 ~~on an existing right-of-way of a public road.~~

75.16 (b) This subdivision does not apply to electric power lines, cables, or conduits 100
75.17 kilovolts or greater or to main pipelines for gas, liquids, or solids in suspension.

75.18 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2014.

75.19 Sec. 3. **[84.69] NATURAL RESOURCES CONSERVATION EASEMENT**
75.20 **STEWARDSHIP ACCOUNT.**

75.21 Subdivision 1. Account established; sources. The natural resources conservation
75.22 easement stewardship account is created in the special revenue fund. The account consists
75.23 of money credited to the account and interest and other earnings on money in the account.
75.24 The State Board of Investment must manage the account to maximize long-term gain. The
75.25 following revenue must be deposited in the natural resources conservation easement
75.26 stewardship account:

75.27 (1) contributions to the account or specified for any purpose of the account;

75.28 (2) contributions under subdivision 3; section 84.66, subdivision 11; or other
75.29 applicable law;

75.30 (3) money appropriated for any of the purposes described in subdivision 2;

76.1 (4) money appropriated for monitoring and enforcement of easements and earnings
 76.2 on the money appropriated that revert to the state under section 97A.056, subdivision
 76.3 17, or other applicable law; and

76.4 (5) gifts under section 84.085 for conservation easement stewardship.

76.5 Subd. 2. **Appropriation; purposes of account.** Five percent of the balance on
 76.6 July 1 of each year in the natural resources conservation easement stewardship account
 76.7 is annually appropriated to the commissioner of natural resources and may be spent
 76.8 only to cover the costs of managing conservation easements held by the Department
 76.9 of Natural Resources, including costs associated with monitoring, landowner contacts,
 76.10 records storage and management, processing landowner notices, requests for approval
 76.11 or amendments, enforcement, and legal services associated with conservation easement
 76.12 management activities.

76.13 Subd. 3. **Financial contributions.** The commissioner shall seek a financial
 76.14 contribution to the natural resources conservation easement stewardship account for each
 76.15 conservation easement acquired by or assigned to the Department of Natural Resources.
 76.16 Unless otherwise provided by law, the commissioner shall determine the amount of the
 76.17 contribution, which must be an amount calculated to earn sufficient money to meet
 76.18 the costs of managing the conservation easement at a level that neither significantly
 76.19 overrecovers nor underrecovers the costs. In determining the amount of the financial
 76.20 contribution, the commissioner shall consider:

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

76.23 (2) the average hourly wages for the class or classes of employees expected to
 76.24 manage the conservation easement;

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

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

76.28 (5) the estimated annualized cost of legal services, including the cost to enforce the
 76.29 easement in the event of a violation; and

76.30 (6) the expected rate of return on investments in the account.

76.31 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
 76.32 following final enactment. Subdivision 3 of this section is effective for conservation
 76.33 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
 76.34 of conservation easements by gift that are initiated on or after July 1, 2015.

76.35 Sec. 4. Minnesota Statutes 2014, section 84.82, subdivision 2a, is amended to read:

77.1 Subd. 2a. **Nontrail use registration.** A snowmobile may be registered for nontrail
 77.2 use. A snowmobile registered under this subdivision may not be operated on a state or
 77.3 grant-in-aid snowmobile trail. The fee for a nontrail use registration of a snowmobile with
 77.4 an engine displacement that is greater than 125 cubic centimeters is \$45 for three years. A
 77.5 nontrail use registration is not transferable. In addition to other penalties prescribed by
 77.6 law, the penalty for violation of this subdivision is immediate revocation of the nontrail
 77.7 use registration. The commissioner shall ensure that the registration sticker provided for
 77.8 limited nontrail use is of a different color and is distinguishable from other snowmobile
 77.9 registration and state trail stickers provided.

77.10 Sec. 5. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

77.11 Subd. 6. **Exemptions.** Registration is not required under this section for:

77.12 (1) a snowmobile owned and used by the United States, an Indian tribal government,
 77.13 another state, or a political subdivision thereof;

77.14 (2) a snowmobile registered in a country other than the United States temporarily
 77.15 used within this state;

77.16 (3) a snowmobile that is covered by a valid license of another state and has not been
 77.17 within this state for more than 30 consecutive days or that is registered by an Indian tribal
 77.18 government to a tribal member and has not been outside the tribal reservation boundary
 77.19 for more than 30 consecutive days;

77.20 (4) a snowmobile used exclusively in organized track racing events;

77.21 (5) a snowmobile in transit by a manufacturer, distributor, or dealer;

77.22 (6) a snowmobile at least 15 years old in transit by an individual for use only on
 77.23 land owned or leased by the individual; ~~or~~

77.24 (7) a snowmobile while being used to groom a state or grant-in-aid trail; or

77.25 (8) a snowmobile with an engine displacement that is 125 cubic centimeters or less
 77.26 and the snowmobile is not operated on a state or grant-in-aid trail.

77.27 Sec. 6. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

77.28 Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means

77.29 a motorized vehicle ~~of with:~~ (1) not less than three, but not more than six low pressure
 77.30 or non-pneumatic tires, that is limited in engine displacement of less than 1,000 cubic

77.31 centimeters and; (2) a total dry weight of 2,000 pounds or less; and (3) a total width

77.32 from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle

77.33 includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does

78.1 not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used
78.2 specifically for lawn maintenance, agriculture, logging, or mining purposes.

78.3 Sec. 7. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

78.4 Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an
78.5 all-terrain vehicle that has a total ~~dry weight of less than 1,200 pounds~~ width from outside
78.6 of tire rim to outside of tire rim that is 50 inches or less.

78.7 Sec. 8. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

78.8 Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an
78.9 all-terrain vehicle that has a total ~~dry weight of 1,200 to 1,800 pounds~~ width from outside
78.10 of tire rim to outside of tire rim that is greater than 50 inches but not more than 65 inches.

78.11 Sec. 9. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision
78.12 to read:

78.13 Subd. 1a. **Aquatic invasive species affirmation.** "Aquatic invasive species
78.14 affirmation" means an affirmation of the summary of the aquatic invasive species laws of
78.15 this chapter that is part of watercraft licenses and nonresident fishing licenses, as provided
78.16 in section 84D.106.

78.17 **EFFECTIVE DATE.** This section is effective January 1, 2016.

78.18 Sec. 10. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

78.19 Aquatic invasive species affirmation is required for all:

78.20 (1) watercraft licenses issued under section 86B.401; and

78.21 (2) all nonresident fishing licenses, as provided in section 97C.301, subdivision 2a.

78.22 **EFFECTIVE DATE.** Clause (1) of this section is effective January 1, 2016. Clause
78.23 (2) of this section is effective March 1, 2016.

78.24 Sec. 11. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

78.25 Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose
78.26 the following penalty amounts:

78.27 (1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

78.28 (2) for placing or attempting to place into waters of the state water-related equipment
78.29 that has aquatic macrophytes attached, \$200;

79.1 (3) for unlawfully possessing or transporting a prohibited invasive species other
79.2 than an aquatic macrophyte, \$500;

79.3 (4) for placing or attempting to place into waters of the state water-related equipment
79.4 that has prohibited invasive species attached when the waters are not listed by the
79.5 commissioner as being infested with that invasive species, \$500;

79.6 (5) for intentionally damaging, moving, removing, or sinking a buoy marking, as
79.7 prescribed by rule, Eurasian water milfoil, \$100;

79.8 (6) for failing to have drain plugs or similar devices removed or opened while
79.9 transporting water-related equipment or for failing to remove plugs, open valves, and
79.10 drain water from water-related equipment, other than marine sanitary systems, before
79.11 leaving waters of the state, \$100; ~~and~~

79.12 (7) for transporting infested water off riparian property without a permit as required
79.13 by rule, \$200; and

79.14 (8) for failing to have aquatic invasive species affirmation displayed or available for
79.15 inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25.

79.16 (b) A civil citation that is issued to a person who has one or more prior convictions
79.17 or final orders for violations of this chapter is subject to twice the penalty amounts listed
79.18 in paragraph (a).

79.19 Sec. 12. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

79.20 Subd. 3. **Use of money in account.** Money credited to the invasive species account
79.21 in subdivision 2 shall be used for management of invasive species and implementation of
79.22 this chapter as it pertains to invasive species, including control, public awareness, law
79.23 enforcement, assessment and monitoring, management planning, habitat improvements,
79.24 and research.

79.25 Sec. 13. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision
79.26 to read:

79.27 Subd. 6a. **Mississippi Blufflands Trail; Goodhue and Wabasha Counties.** (a)
79.28 The Mississippi Blufflands Trail shall originate at the Cannon Valley Trail and thence
79.29 extend generally southeasterly along the Mississippi River through Frontenac State Park in
79.30 Goodhue County and continue through Goodhue and Wabasha Counties to the city of Lake
79.31 City, and there terminate. The trail shall include connections to the Rattlesnake Bluff Trail.

79.32 (b) The trail shall be developed primarily for riding and hiking.

80.1 (c) In establishing, developing, maintaining, and operating the trail, the
80.2 commissioner shall cooperate with local units of government and private individuals and
80.3 groups whenever feasible.

80.4 Sec. 14. Minnesota Statutes 2014, section 85.055, subdivision 1, is amended to read:

80.5 Subdivision 1. **Fees.** The fee for state park permits for:

80.6 (1) an annual use of state parks is ~~\$25~~ \$30;

80.7 (2) a second or subsequent vehicle state park permit is \$18;

80.8 (3) a state park permit valid for one day is ~~\$5~~ \$6;

80.9 (4) a daily vehicle state park permit for groups is \$3;

80.10 (5) an annual permit for motorcycles is \$20;

80.11 (6) an employee's state park permit is without charge; and

80.12 (7) a state park permit for persons with disabilities under section 85.053, subdivision
80.13 7, paragraph (a), clauses (1) to (3), is \$12.

80.14 The fees specified in this subdivision include any sales tax required by state law.

80.15 Sec. 15. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

80.16 Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized
80.17 in cooperation with local units of government and private individuals and groups when
80.18 feasible to mark state water trails on the Little Fork, Big Fork, Minnesota, St. Croix,
80.19 Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine,
80.20 Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan,
80.21 Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in
80.22 Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood,
80.23 Blue Earth, Cedar, Shell Rock, and Crow Rivers which have historic and scenic values
80.24 and to mark appropriately points of interest, portages, camp sites, and all dams, rapids,
80.25 waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak,
80.26 and watercraft travelers.

80.27 Sec. 16. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

80.28 Subd. 3. **Licensing.** (a) The license agent shall register the watercraft on receiving
80.29 an application and the license fee. A license and registration sticker with a registration
80.30 number shall be issued and must be affixed to the watercraft as prescribed by the
80.31 commissioner of natural resources.

80.32 (b) A license includes aquatic invasive species affirmation as provided in section
80.33 84D.106. The aquatic invasive species affirmation portion of the license must be displayed

81.1 with the signed license certificate. The aquatic invasive species affirmation will be
 81.2 provided with an application for a new, transfer, duplicate, or renewal watercraft license.

81.3 (c) The license is not valid unless signed by at least one owner.

81.4 (d) Failure to complete the aquatic invasive species affirmation in this subdivision is
 81.5 subject to the penalty prescribed in section 84D.13, subdivision 5.

81.6 **EFFECTIVE DATE.** This section is effective January 1, 2016.

81.7 Sec. 17. Minnesota Statutes 2014, section 87A.10, is amended to read:

81.8 **87A.10 TRAP, SKEET, AND ARCHERY SHOOTING SPORTS FACILITY**
 81.9 **GRANTS.**

81.10 The commissioner of natural resources shall administer a program to provide
 81.11 cost-share grants to local recreational shooting clubs or local units of government for up to
 81.12 50 percent of the costs of developing or rehabilitating trap, skeet, and archery shooting
 81.13 sports facilities for public use. A facility rehabilitated or developed with a grant under this
 81.14 section must be open to the general public at reasonable times and for a reasonable fee
 81.15 on a walk-in basis. The commissioner shall give preference to projects that will provide
 81.16 the most opportunities for youth.

81.17 Sec. 18. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

81.18 Subd. 4. **Forest bough account; disposition of fees.** (a) The forest bough account
 81.19 is established in the state treasury within the natural resources fund.

81.20 (b) Fees for permits issued under this section ~~shall~~ must be deposited in the state
 81.21 treasury and credited to the forest bough account and, except for the electronic licensing
 81.22 system commission established by the commissioner under section 84.027, subdivision
 81.23 15, are annually appropriated to the commissioner of natural resources for costs associated
 81.24 with ~~balsam bough educational~~ special forest product information and education programs
 81.25 for harvesters and buyers.

81.26 Sec. 19. Minnesota Statutes 2014, section 90.14, is amended to read:

81.27 **90.14 AUCTION SALE PROCEDURE.**

81.28 (a) All state timber shall be offered and sold by the same unit of measurement as it
 81.29 was appraised. No tract shall be sold to any person other than the purchaser in whose name
 81.30 the bid was made. The commissioner may refuse to approve any and all bids received and
 81.31 cancel a sale of state timber for good and sufficient reasons.

82.1 (b) The purchaser at any sale of timber shall, immediately upon the approval of the
82.2 bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section
82.3 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the
82.4 appraised value. In case any purchaser fails to make such payment, the purchaser shall be
82.5 liable therefor to the state in a civil action, and the commissioner may reoffer the timber for
82.6 sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

82.7 (c) In lieu of the scaling of state timber required by this chapter, a purchaser of state
82.8 timber may, at the time of payment by the purchaser to the commissioner of 15 percent
82.9 of the appraised value, elect in writing on a form prescribed by the attorney general to
82.10 purchase a permit based solely on the appraiser's estimate of the volume of timber described
82.11 in the permit, provided that the commissioner has expressly designated the availability of
82.12 such option for that tract on the list of tracts available for sale as required under section
82.13 90.101. A purchaser who elects in writing on a form prescribed by the attorney general
82.14 to purchase a permit based solely on the appraiser's estimate of the volume of timber
82.15 described on the permit does not have recourse to the provisions of section 90.281.

82.16 (d) In the case of a public auction sale conducted by a sealed bid process, tracts shall
82.17 be awarded to the high bidder, who shall pay to the commissioner a down payment of 15
82.18 percent of the appraised value that must be received or postmarked within 14 days of
82.19 the date of the sealed bid opening. If a purchaser fails to make the down payment, the
82.20 purchaser is liable for the down payment to the state and the commissioner may offer the
82.21 timber for sale to the next highest bidder as though no higher bid had been made.

82.22 (e) Except as otherwise provided by law, at the time the purchaser signs a permit
82.23 issued under section 90.151, the commissioner shall require the purchaser to make a bid
82.24 guarantee payment to the commissioner in an amount equal to 15 percent of the total
82.25 purchase price of the permit less the down payment amount required by paragraph (b)
82.26 for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid
82.27 guarantee payment is not submitted with the signed permit, no harvesting may occur, the
82.28 permit cancels, and the down payment for timber forfeits to the state. The bid guarantee
82.29 payment forfeits to the state if the purchaser and successors in interest fail to execute
82.30 an effective permit.

82.31 **EFFECTIVE DATE.** This section is effective June 1, 2015, and applies to permits
82.32 sold on or after that date.

82.33 Sec. 20. Minnesota Statutes 2014, section 90.193, is amended to read:

82.34 **90.193 EXTENSION OF TIMBER PERMITS.**

83.1 The commissioner may, in the case of an exceptional circumstance beyond the
 83.2 control of the timber permit holder which makes it unreasonable, impractical, and not
 83.3 feasible to complete cutting and removal under the permit within the time allowed, grant
 83.4 one regular extension for one year. A written request for the regular extension must be
 83.5 received by the commissioner before the permit expires. The request must state the reason
 83.6 the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~
 83.7 five percent may be charged for the period of extension.

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

83.9 Sec. 21. Minnesota Statutes 2014, section 92.45, is amended to read:

83.10 **92.45 STATE LAND ON MEANDERED LAKES WITHDRAWN FROM SALE.**

83.11 All state lands, excluding school trust lands and university lands, bordering on or
 83.12 adjacent to meandered lakes and other public waters and watercourses, with the live
 83.13 timber growing on them, are withdrawn from sale except as provided in this section. The
 83.14 commissioner of natural resources may sell the timber as otherwise provided by law for
 83.15 cutting and removal under conditions the commissioner prescribes. The conditions must
 83.16 be in accordance with approved, sustained-yield forestry practices. The commissioner
 83.17 must reserve the timber and impose other conditions the commissioner deems necessary to
 83.18 protect watersheds, wildlife habitat, shorelines, and scenic features. Within the area in
 83.19 Cook, Lake, and St. Louis Counties described in the Act of Congress approved July 10,
 83.20 1930, (Statutes at Large, volume 46, page 1020), the timber on state lands is subject to
 83.21 restrictions like those now imposed by the act on federal lands.

83.22 The following land is reserved for public travel: of all land bordering on or adjacent
 83.23 to meandered lakes and other public waters and watercourses and withdrawn from sale, a
 83.24 strip two rods wide, the ordinary high-water mark being its waterside boundary, and its
 83.25 landside boundary a line drawn parallel to the ordinary high-water mark and two rods
 83.26 distant landward from it. Wherever the conformation of the shore line or conditions
 83.27 require, the commissioner must reserve a wider strip.

83.28 Except for sales under section 282.018, subdivision 1, when a state agency or any
 83.29 other unit of government requests the legislature to authorize the sale of state lands
 83.30 bordering on or adjacent to meandered lakes and other public waters and watercourses, the
 83.31 commissioner shall evaluate the lands and their public benefits and make recommendations
 83.32 on the proposed dispositions to the committees of the legislature with jurisdiction
 83.33 over natural resources. The commissioner shall include any recommendations of the
 83.34 commissioner for disposition of lands withdrawn from sale under this section over which

84.1 the commissioner has jurisdiction. The commissioner's recommendations may include a
84.2 public sale, sale to a private party, acquisition by the commissioner for public purposes,
84.3 retention of a conservation easement for shoreland preservation by the commissioner
84.4 under chapter 84C, or a cooperative management agreement with, or transfer to, another
84.5 unit of government.

84.6 The commissioner may sell state lands bordering on or adjacent to the Mississippi
84.7 River or any lakes, waters, and watercourses in its bottom lands, desired or needed by the
84.8 United States government for, or in connection with, any project heretofore authorized
84.9 by Congress, to improve navigation in the Mississippi River at public sale according
84.10 to law, as in other cases, upon application by an authorized United States official. The
84.11 application must describe the land and include a map showing its location with reference
84.12 to adjoining properties.

84.13 Sec. 22. Minnesota Statutes 2014, section 93.47, subdivision 3, is amended to read:

84.14 Subd. 3. **Adoption of rules.** Upon completion of the study and survey and
84.15 consistent with the declared policy of sections 93.44 to 93.51, the commissioner, pursuant
84.16 to chapter 14, may adopt rules pertaining to that portion of mining operations conducted
84.17 subsequent to the effective date of such rules and subject to the provisions of any rights
84.18 existing pursuant to any permit, license, lease or other valid existing authorization issued
84.19 by the commissioner, the Pollution Control Agency or any other governmental entity,
84.20 or their predecessors in office, and subject to any applicable mine safety laws or rules
84.21 now existing or hereafter adopted, in regard to the following: (a) Mine waste disposal,
84.22 (b) mining areas, including but not limited to plant facilities and equipment, and (c)
84.23 permits to mine, as required by section 93.481. Minnesota Rules, parts 7001.3050,
84.24 subpart 3, item G, and 7035.2525, subpart 2, item G, apply to solid waste facilities
84.25 permitted under and in compliance with those rules and Minnesota Rules, chapter 6132.
84.26 To the greatest extent possible, within the authority possessed by the commissioner, the
84.27 rules so promulgated shall substantially comply with or exceed any minimum mine land
84.28 reclamation requirements which may be established pursuant to a federal mine land
84.29 reclamation act. The rules so promulgated also shall conform with any state and local land
84.30 use planning program; provided further the commissioner shall develop procedures that
84.31 will identify areas or types of areas which, if mined, cannot be reclaimed with existing
84.32 techniques to satisfy the rules promulgated under this subdivision, and the commissioner
84.33 will not issue permits to mine such areas until the commissioner determines technology is
84.34 available to satisfy the rules so promulgated.

85.1 Sec. 23. Minnesota Statutes 2014, section 93.50, is amended to read:

85.2 **93.50 APPEAL.**

85.3 Any person aggrieved by any order, ruling, or decision of the commissioner ~~may~~
85.4 ~~appeal such~~ is entitled to judicial review of the order, ruling, or decision in the manner
85.5 provided in ~~chapter 14~~ sections 14.63 to 14.69.

85.6 Sec. 24. Minnesota Statutes 2014, section 97A.055, subdivision 4b, is amended to read:

85.7 Subd. 4b. **Citizen oversight committees.** (a) The commissioner shall appoint
85.8 committees of affected persons to review the reports prepared under subdivision 4; review
85.9 the proposed work plans and budgets for the coming year; propose changes in policies,
85.10 activities, and revenue enhancements or reductions; review other relevant information;
85.11 and make recommendations to the legislature and the commissioner for improvements in
85.12 the management and use of money in the game and fish fund.

85.13 (b) The commissioner shall appoint the following committees, each comprised
85.14 of at least ten affected persons:

85.15 (1) a Fisheries Oversight Committee to review fisheries funding and expenditures,
85.16 including activities related to trout and salmon stamps and walleye stamps; and

85.17 (2) a Wildlife Oversight Committee to review wildlife funding and expenditures,
85.18 including activities related to migratory waterfowl, pheasant, and wild turkey management
85.19 and deer and big game management.

85.20 (c) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
85.21 Committee, and four additional members from each committee, shall form a Budgetary
85.22 Oversight Committee to coordinate the integration of the fisheries and wildlife oversight
85.23 committee reports into an annual report to the legislature; recommend changes on a broad
85.24 level in policies, activities, and revenue enhancements or reductions; and provide a forum
85.25 to address issues that transcend the fisheries and wildlife oversight committees.

85.26 (d) The Budgetary Oversight Committee shall develop recommendations for a
85.27 biennial budget plan and report for expenditures on game and fish activities. By August 15
85.28 of each even-numbered year, the committee shall submit the budget plan recommendations
85.29 to the commissioner and to the senate and house of representatives committees with
85.30 jurisdiction over natural resources finance.

85.31 (e) The chairs of the Fisheries Oversight Committee and the Wildlife Oversight
85.32 Committee shall be chosen by their respective committees. The chair of the Budgetary
85.33 Oversight Committee shall be appointed by the commissioner and may not be the chair of
85.34 either of the other oversight committees.

86.1 (f) The Budgetary Oversight Committee may make recommendations to the
86.2 commissioner and to the senate and house of representatives committees with jurisdiction
86.3 over natural resources finance for outcome goals from expenditures.

86.4 (g) The committees authorized under this subdivision are not advisory councils or
86.5 committees governed by section 15.059 and are not subject to section 15.059. Committee
86.6 members appointed by the commissioner may request reimbursement for mileage
86.7 expenses in the same manner and amount as authorized by the commissioner's plan
86.8 adopted under section 43A.18, subdivision 2. Committee members must not receive daily
86.9 compensation for oversight activities. The Fisheries Oversight Committee, the Wildlife
86.10 Oversight Committee, and the Budgetary Oversight Committee expire June 30, ~~2015~~ 2020.

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

86.12 Sec. 25. Minnesota Statutes 2014, section 97B.301, is amended by adding a
86.13 subdivision to read:

86.14 **Subd. 9. Residents age 84 or over may take deer of either sex.** A resident age 84
86.15 or over may take a deer of either sex. This subdivision does not authorize the taking of an
86.16 antlerless deer by another member of a party under subdivision 3.

86.17 Sec. 26. Minnesota Statutes 2014, section 97C.301, is amended by adding a
86.18 subdivision to read:

86.19 **Subd. 2a. Aquatic invasive species affirmation.** (a) A nonresident license to
86.20 take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species
86.21 affirmation as provided in section 84D.106.

86.22 (b) The aquatic invasive species affirmation portion of the license must be displayed
86.23 with the signed nonresident license to take fish issued under section 97A.475, subdivision
86.24 7. The aquatic invasive species affirmation will be provided at the time of purchase of a
86.25 new or duplicate nonresident license.

86.26 (c) If a license is purchased online, the aquatic invasive species affirmation may be
86.27 completed electronically as part of the online sales process, and the electronic record of
86.28 the license sale will be sufficient for documenting the affirmation.

86.29 (d) Failure to complete the aquatic invasive species affirmation in this subdivision is
86.30 subject to the penalty prescribed in section 84D.13, subdivision 5.

86.31 **EFFECTIVE DATE.** This section is effective March 1, 2016.

87.1 Sec. 27. Minnesota Statutes 2014, section 103B.101, is amended by adding a
87.2 subdivision to read:

87.3 Subd. 16. **Wetland stakeholder coordination.** The board shall work with
87.4 wetland stakeholders to foster mutual understanding and provide recommendations for
87.5 improvements to the management of wetlands and related land and water resources,
87.6 including recommendations for updating the Wetland Conservation Act, developing
87.7 an in-lieu fee program as defined in section 103G.005, subdivision 10g, and related
87.8 provisions. The board may convene informal working groups or work teams to provide
87.9 information and education and to develop recommendations.

87.10 Sec. 28. [103B.103] EASEMENT STEWARDSHIP ACCOUNTS.

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

87.16 (b) Revenue from contributions and money appropriated for any purposes of the
87.17 account as described in subdivision 2 must be deposited in the water and soil conservation
87.18 easement stewardship account. Revenue from contributions, wetland banking fees
87.19 designated for stewardship purposes by the board, easement stewardship payments
87.20 authorized under subdivision 3, and money appropriated for any purposes of the account
87.21 as described in subdivision 2 must be deposited in the mitigation easement stewardship
87.22 account.

87.23 Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on
87.24 July 1 each year in the water and soil conservation easement stewardship account and
87.25 five percent of the balance on July 1 each year in the mitigation easement stewardship
87.26 account are annually appropriated to the board and may be spent only to cover the costs
87.27 of managing easements held by the board, including costs associated with monitoring,
87.28 landowner contacts, records storage and management, processing landowner notices,
87.29 requests for approval or amendments, enforcement, and legal services associated with
87.30 easement management activities.

87.31 Subd. 3. **Financial contributions.** The board shall seek a financial contribution
87.32 to the water and soil conservation easement stewardship account for each conservation
87.33 easement acquired by the board. The board shall seek a financial contribution or assess an
87.34 easement stewardship payment to the mitigation easement stewardship account for each
87.35 wetland banking easement acquired by the board. Unless otherwise provided by law,

88.1 the board shall determine the amount of the contribution or payment, which must be an
 88.2 amount calculated to earn sufficient money to meet the costs of managing the easement at
 88.3 a level that neither significantly overrecovers nor underrecovers the costs. In determining
 88.4 the amount of the financial contribution, the board shall consider:

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

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

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

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

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

88.14 (6) the expected rate of return on investments in the account.

88.15 **EFFECTIVE DATE.** Subdivisions 1 and 2 of this section are effective the day
 88.16 following final enactment. Subdivision 3 of this section is effective for conservation
 88.17 easements acquired with money appropriated on or after July 1, 2015, and for acquisitions
 88.18 of conservation easements by gift or as a condition of approval for wetland mitigation as
 88.19 provided in Minnesota Rules, chapter 8420, that are initiated on or after July 1, 2015.

88.20 Sec. 29. Minnesota Statutes 2014, section 103B.3355, is amended to read:

88.21 **103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC**
 88.22 **VALUES.**

88.23 (a) The public values of wetlands must be determined based upon the functions of
 88.24 wetlands for:

88.25 (1) water quality, including filtering of pollutants to surface and groundwater,
 88.26 utilization of nutrients that would otherwise pollute public waters, trapping of sediments,
 88.27 shoreline protection, and utilization of the wetland as a recharge area for groundwater;

88.28 (2) floodwater and storm water retention, including the potential for flooding in
 88.29 the watershed, the value of property subject to flooding, and the reduction in potential
 88.30 flooding by the wetland;

88.31 (3) public recreation and education, including hunting and fishing areas, wildlife
 88.32 viewing areas, and nature areas;

88.33 (4) commercial uses, including wild rice and cranberry growing and harvesting
 88.34 and aquaculture;

89.1 (5) fish, wildlife, native plant habitats;

89.2 (6) low-flow augmentation;

89.3 (7) carbon sequestration; and

89.4 (8) other public uses.

89.5 (b) The Board of Water and Soil Resources, in consultation with the commissioners of
89.6 natural resources and agriculture and local government units, shall adopt rules establishing:

89.7 (1) scientific methodologies for determining the functions of wetlands; and

89.8 (2) criteria for determining the resulting public values of wetlands.

89.9 (c) The methodologies and criteria established under this section or other
89.10 methodologies and criteria that include the functions in paragraph (a) and are approved
89.11 by the board, in consultation with the commissioners of natural resources and agriculture
89.12 and local government units, must be used to determine the functions and resulting public
89.13 values of wetlands in the state. The functions listed in paragraph (a) are not listed in
89.14 order of priority.

89.15 (d) Public value criteria established or approved by the board under this section do
89.16 not apply in areas subject to local comprehensive wetland protection and management
89.17 plans established under section 103G.2243.

89.18 (e) The Board of Water and Soil Resources, in consultation with the commissioners
89.19 of natural resources and agriculture and local government units, ~~may~~ must identify ~~regions~~
89.20 areas of the state where preservation, enhancement, restoration, and establishment
89.21 of wetlands would have high public value. The board, in consultation with the
89.22 commissioners, ~~may~~ must identify high priority ~~wetland regions~~ areas for wetland
89.23 replacement using available information relating to the factors listed in paragraph
89.24 (a), the historic loss and abundance of wetlands, current applicable state and local
89.25 government water management and natural resource plans, and studies using a watershed
89.26 approach to identify current and future watershed needs. The board shall notify local
89.27 units of government with water planning authority of these high priority ~~regions~~ areas.
89.28 Designation of high priority areas is exempt from the rulemaking requirements of chapter
89.29 14, and section 14.386 does not apply. Designation of high priority areas is not effective
89.30 until 30 days after publication in the State Register.

89.31 (f) Local units of government, as part of a state-approved comprehensive local
89.32 water management plan as defined in section 103B.3363, subdivision 3, a state-approved
89.33 comprehensive watershed management plan as defined in section 103B.3363, subdivision
89.34 3a, or a state-approved local comprehensive wetland protection and management plan
89.35 under section 103G.2243, may identify priority areas for wetland replacement and provide
89.36 them for consideration under paragraph (e).

90.1 Sec. 30. [103F.519] WORKING LANDS WATERSHED RESTORATION
90.2 PROGRAM.

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

90.5 (b) "Advanced biofuel" has the meaning given in section 239.051, subdivision 1a.

90.6 (c) "Agricultural use" has the meaning given in section 17.81, subdivision 4.

90.7 (d) "Board" means the Board of Water and Soil Resources.

90.8 (e) "Perennial crops" means agriculturally produced plants that are known to be
90.9 noninvasive and not listed as a noxious weed in Minnesota and that have a life cycle of at
90.10 least three years at the location where the plants are being cultivated. Biomass from alfalfa
90.11 produced in a two-year rotation is considered a perennial crop.

90.12 Subd. 2. Establishment. The board shall administer a perennial feedstock program
90.13 to incentivize the establishment and maintenance of perennial agricultural crops. The
90.14 board shall contract with landowners and give priority to contracts that implement water
90.15 protection actions as identified in a completed watershed restoration and protection
90.16 strategy developed under section 114D.26.

90.17 Subd. 3. Eligible land. Land eligible under this section must:

90.18 (1) have been in agricultural use or have been set aside, enrolled, or diverted under
90.19 another federal or state government program for at least two of the last five years before
90.20 the date of application; and

90.21 (2) not be currently set aside, enrolled, or diverted under another federal or state
90.22 government program.

90.23 Subd. 4. Contract terms. (a) The board shall offer a contract rate of no more
90.24 than 90 percent of the most recent federal conservation reserve program payment for the
90.25 county in which the land is located. The board may make additional payments to assist
90.26 with the establishment of perennial crops.

90.27 (b) Contracts must be at least ten years in duration.

90.28 (c) Perennial crops grown on lands enrolled under this section may be used for
90.29 advanced biofuel feedstock or livestock feed. Perennial plants may be processed in a
90.30 manner that utilizes a portion of the plant for livestock. Mechanical harvest is not allowed
90.31 before July 1 in any year.

90.32 (d) The board shall prioritize lands with the highest potential to leverage federal
90.33 funding.

90.34 (e) The board may establish additional contract terms.

91.1 Subd. 5. Pilot watershed selection. The board may select up to two watersheds in
 91.2 which to conduct an initial pilot program of up to 100,000 total acres. Project watersheds
 91.3 must have, as determined by the board:

91.4 (1) a completed watershed restoration and protection strategy developed under
 91.5 section 114D.26 or a hydrological simulation program model approved by the Pollution
 91.6 Control Agency;

91.7 (2) multiple water quality impairments resulting primarily from agricultural practices;

91.8 (3) a viable proposed advanced biofuel production facility located within 50 miles
 91.9 of the perennial feedstock grown under this section; and

91.10 (4) sufficient additional acres of cropland available for perennial crop production to
 91.11 adequately supply the proposed advanced biofuel production facility.

91.12 Sec. 31. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

91.13 Subd. 2. **Application.** (a) A wetland owner may apply to the county where a
 91.14 wetland is located for designation of a wetland preservation area in a high priority wetland
 91.15 area ~~identified in a comprehensive local water plan, as defined in section 103B.3363,~~
 91.16 ~~subdivision 3, and located within a high priority wetland region~~ designated by the Board
 91.17 of Water and Soil Resources, if the county chooses to accept wetland preservation area
 91.18 applications. The application must be made on forms provided by the board. If a wetland
 91.19 is located in more than one county, the application must be submitted to the county where
 91.20 the majority of the wetland is located.

91.21 (b) The application shall be executed and acknowledged in the manner required
 91.22 by law to execute and acknowledge a deed and must contain at least the following
 91.23 information and other information the Board of Water and Soil Resources requires:

91.24 (1) legal description of the area to be approved, which must include an upland strip
 91.25 at least 16-1/2 feet in width around the perimeter of wetlands within the area and may
 91.26 include total upland area of up to four acres for each acre of wetland;

91.27 (2) parcel identification numbers where designated by the county auditor;

91.28 (3) name and address of the owner;

91.29 (4) a statement by the owner covenanting that the land will be preserved as a wetland
 91.30 and will only be used in accordance with conditions prescribed by the Board of Water and
 91.31 Soil Resources and providing that the restrictive covenant will be binding on the owner
 91.32 and the owner's successors or assigns, and will run with the land.

91.33 (c) The upland strip required in paragraph (b), clause (1), must be planted with
 91.34 permanent vegetation other than a noxious weed.

92.1 Sec. 32. Minnesota Statutes 2014, section 103G.005, is amended by adding a
92.2 subdivision to read:

92.3 Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which
92.4 wetland replacement requirements of section 103G.222 are satisfied through payment of
92.5 money to the board or a board-approved sponsor to develop replacement credits according
92.6 to section 103G.2242, subdivision 12.

92.7 Sec. 33. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

92.8 Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or
92.9 partially, unless replaced by ~~restoring or creating wetland areas of~~ actions that provide
92.10 at least equal public value under a replacement plan approved as provided in section
92.11 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland
92.12 protection and management plan approved by the board under section 103G.2243, or, if a
92.13 permit to mine is required under section 93.481, under a mining reclamation plan approved
92.14 by the commissioner under the permit to mine. For project-specific wetland replacement
92.15 completed prior to wetland impacts authorized or conducted under a permit to mine within
92.16 the Great Lakes and Rainy River watershed basins, those basins shall be considered a single
92.17 watershed for purposes of determining wetland replacement ratios. Mining reclamation
92.18 plans shall apply the same principles and standards for replacing wetlands by restoration
92.19 or creation of wetland areas that are applicable to mitigation plans approved as provided
92.20 in section 103G.2242. Public value must be determined in accordance with section
92.21 103B.3355 or a comprehensive wetland protection and management plan established
92.22 under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in
92.23 permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

92.24 (b) Replacement must be guided by the following principles in descending order
92.25 of priority:

92.26 (1) avoiding the direct or indirect impact of the activity that may destroy or diminish
92.27 the wetland;

92.28 (2) minimizing the impact by limiting the degree or magnitude of the wetland
92.29 activity and its implementation;

92.30 (3) rectifying the impact by repairing, rehabilitating, or restoring the affected
92.31 wetland environment;

92.32 (4) reducing or eliminating the impact over time by preservation and maintenance
92.33 operations during the life of the activity;

92.34 (5) compensating for the impact by restoring a wetland; and

93.1 (6) compensating for the impact by replacing or providing substitute wetland
93.2 resources or environments.

93.3 For a project involving the draining or filling of wetlands in an amount not exceeding
93.4 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9,
93.5 paragraph (a), the local government unit may make an on-site sequencing determination
93.6 without a written alternatives analysis from the applicant.

93.7 (c) If a wetland is located in a cultivated field, then replacement must be accomplished
93.8 through restoration only without regard to the priority order in paragraph (b), provided
93.9 that the altered wetland is not converted to a nonagricultural use for at least ten years.

93.10 (d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241,
93.11 subdivision 2, paragraph (b) or (e), the local government unit may require a deed
93.12 restriction that prohibits nonagricultural use for at least ten years. The local government
93.13 unit may require the deed restriction if it determines the wetland area drained is at risk of
93.14 conversion to a nonagricultural use within ten years based on the zoning classification,
93.15 proximity to a municipality or full service road, or other criteria as determined by the
93.16 local government unit.

93.17 (e) Restoration and replacement of wetlands must be accomplished in accordance
93.18 with the ecology of the landscape area affected and ponds that are created primarily to
93.19 fulfill storm water management, and water quality treatment requirements may not be
93.20 used to satisfy replacement requirements under this chapter unless the design includes
93.21 pretreatment of runoff and the pond is functioning as a wetland.

93.22 (f) Except as provided in paragraph (g), for a wetland or public waters wetland
93.23 located on nonagricultural land, replacement must be in the ratio of two acres of replaced
93.24 wetland for each acre of drained or filled wetland.

93.25 (g) For a wetland or public waters wetland located on agricultural land or in a greater
93.26 than 80 percent area, replacement must be in the ratio of one acre of replaced wetland
93.27 for each acre of drained or filled wetland.

93.28 (h) Wetlands that are restored or created as a result of an approved replacement plan
93.29 are subject to the provisions of this section for any subsequent drainage or filling.

93.30 (i) Except in a greater than 80 percent area, only wetlands that have been
93.31 restored from previously drained or filled wetlands, wetlands created by excavation in
93.32 nonwetlands, wetlands created by dikes or dams along public or private drainage ditches,
93.33 or wetlands created by dikes or dams associated with the restoration of previously
93.34 drained or filled wetlands may be used ~~in a statewide banking program established in for~~
93.35 wetland replacement according to rules adopted under section 103G.2242, subdivision 1.

94.1 Modification or conversion of nondegraded naturally occurring wetlands from one type to
94.2 another are not eligible for ~~enrollment in a statewide wetlands bank~~ wetland replacement.

94.3 (j) The Technical Evaluation Panel established under section 103G.2242, subdivision
94.4 2, shall ensure that sufficient time has occurred for the wetland to develop wetland
94.5 characteristics of soils, vegetation, and hydrology before recommending that the wetland
94.6 be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason
94.7 to believe that the wetland characteristics may change substantially, the panel shall
94.8 postpone its recommendation until the wetland has stabilized.

94.9 (k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365
94.10 apply to the state and its departments and agencies.

94.11 (l) For projects involving draining or filling of wetlands associated with a new public
94.12 transportation project, and for projects expanded solely for additional traffic capacity,
94.13 public transportation authorities may purchase credits from the board at the cost to the
94.14 board to establish credits. Proceeds from the sale of credits provided under this paragraph
94.15 are appropriated to the board for the purposes of this paragraph. For the purposes of this
94.16 paragraph, "transportation project" does not include an airport project.

94.17 (m) A replacement plan for wetlands is not required for individual projects that
94.18 result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction,
94.19 or replacement of a currently serviceable existing state, city, county, or town public road
94.20 necessary, as determined by the public transportation authority, to meet state or federal
94.21 design or safety standards or requirements, excluding new roads or roads expanded solely
94.22 for additional traffic capacity lanes. This paragraph only applies to authorities for public
94.23 transportation projects that:

94.24 (1) minimize the amount of wetland filling or draining associated with the project
94.25 and consider mitigating important site-specific wetland functions on site;

94.26 (2) except as provided in clause (3), submit project-specific reports to the board, the
94.27 Technical Evaluation Panel, the commissioner of natural resources, and members of the
94.28 public requesting a copy at least 30 days prior to construction that indicate the location,
94.29 amount, and type of wetlands to be filled or drained by the project or, alternatively,
94.30 convene an annual meeting of the parties required to receive notice to review projects to
94.31 be commenced during the upcoming year; and

94.32 (3) for minor and emergency maintenance work impacting less than 10,000 square
94.33 feet, submit project-specific reports, within 30 days of commencing the activity, to the board
94.34 that indicate the location, amount, and type of wetlands that have been filled or drained.

94.35 Those required to receive notice of public transportation projects may appeal
94.36 minimization, delineation, and on-site mitigation decisions made by the public

95.1 transportation authority to the board according to the provisions of section 103G.2242,
95.2 subdivision 9. The Technical Evaluation Panel shall review minimization and delineation
95.3 decisions made by the public transportation authority and provide recommendations
95.4 regarding on-site mitigation if requested to do so by the local government unit, a
95.5 contiguous landowner, or a member of the Technical Evaluation Panel.

95.6 Except for state public transportation projects, for which the state Department of
95.7 Transportation is responsible, the board must replace the wetlands, and wetland areas of
95.8 public waters if authorized by the commissioner or a delegated authority, drained or filled
95.9 by public transportation projects on existing roads.

95.10 Public transportation authorities at their discretion may deviate from federal and
95.11 state design standards on existing road projects when practical and reasonable to avoid
95.12 wetland filling or draining, provided that public safety is not unreasonably compromised.
95.13 The local road authority and its officers and employees are exempt from liability for
95.14 any tort claim for injury to persons or property arising from travel on the highway and
95.15 related to the deviation from the design standards for construction or reconstruction under
95.16 this paragraph. This paragraph does not preclude an action for damages arising from
95.17 negligence in construction or maintenance on a highway.

95.18 (n) If a landowner seeks approval of a replacement plan after the proposed project
95.19 has already affected the wetland, the local government unit may require the landowner to
95.20 replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise
95.21 required.

95.22 (o) A local government unit may request the board to reclassify a county or
95.23 watershed on the basis of its percentage of presettlement wetlands remaining. After
95.24 receipt of satisfactory documentation from the local government, the board shall change
95.25 the classification of a county or watershed. If requested by the local government unit,
95.26 the board must assist in developing the documentation. Within 30 days of its action to
95.27 approve a change of wetland classifications, the board shall publish a notice of the change
95.28 in the Environmental Quality Board Monitor.

95.29 (p) One hundred citizens who reside within the jurisdiction of the local government
95.30 unit may request the local government unit to reclassify a county or watershed on the basis
95.31 of its percentage of presettlement wetlands remaining. In support of their petition, the
95.32 citizens shall provide satisfactory documentation to the local government unit. The local
95.33 government unit shall consider the petition and forward the request to the board under
95.34 paragraph (o) or provide a reason why the petition is denied.

95.35 Sec. 34. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

96.1 Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent
 96.2 area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted
 96.3 wetlands in a less than 50 percent area must be replaced in a less than 50 percent area.

96.4 All wetland replacement must follow this priority order:

96.5 (1) on site or in the same minor watershed as the impacted wetland;

96.6 (2) in the same watershed as the impacted wetland;

96.7 (3) in the same county or wetland bank service area as the impacted wetland; and

96.8 (4) in another wetland bank service area; and

96.9 ~~(5) statewide for public transportation projects, except that wetlands impacted in~~
 96.10 ~~less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands~~
 96.11 ~~impacted in the seven-county metropolitan area must be replaced at a ratio of two to one in:~~
 96.12 ~~(i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one~~
 96.13 ~~of the major watersheds that are wholly or partially within the seven-county metropolitan~~
 96.14 ~~area, but at least one to one must be replaced within the seven-county metropolitan area.~~

96.15 ~~(b) The exception in paragraph (a), clause (5), does not apply to replacement~~
 96.16 ~~completed using wetland banking credits established by a person who submitted a~~
 96.17 ~~complete wetland banking application to a local government unit by April 1, 1996.~~

96.18 (b) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for
 96.19 replacement by wetland banking begins at paragraph (a), clause (3), according to rules
 96.20 adopted under section 103G.2242, subdivision 1.

96.21 (c) When reasonable, practicable, and environmentally beneficial replacement
 96.22 opportunities are not available in siting priorities listed in paragraph (a), the applicant
 96.23 may seek opportunities at the next level.

96.24 (d) For the purposes of this section, "reasonable, practicable, and environmentally
 96.25 beneficial replacement opportunities" are defined as opportunities that:

96.26 (1) take advantage of naturally occurring hydrogeomorphological conditions and
 96.27 require minimal landscape alteration;

96.28 (2) have a high likelihood of becoming a functional wetland that will continue
 96.29 in perpetuity;

96.30 (3) do not adversely affect other habitat types or ecological communities that are
 96.31 important in maintaining the overall biological diversity of the area; and

96.32 (4) are available and capable of being done after taking into consideration cost,
 96.33 existing technology, and logistics consistent with overall project purposes.

96.34 ~~(e) Applicants and local government units shall rely on board-approved~~
 96.35 ~~comprehensive inventories of replacement opportunities and watershed conditions,~~
 96.36 ~~including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January~~

97.1 2010), in determining whether reasonable, practicable, and environmentally beneficial
 97.2 replacement opportunities are available.

97.3 ~~(f)~~ (e) Regulatory agencies, local government units, and other entities involved in
 97.4 wetland restoration shall collaborate to identify potential replacement opportunities within
 97.5 their jurisdictional areas.

97.6 (f) The board must establish wetland replacement ratios and wetland bank service
 97.7 area priorities to implement the siting and targeting of wetland replacement and encourage
 97.8 the use of high priority areas for wetland replacement.

97.9 Sec. 35. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to
 97.10 read:

97.11 Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall
 97.12 adopt rules governing the approval of wetland value replacement plans under this section
 97.13 and public waters work permits affecting public waters wetlands under section 103G.245.
 97.14 These rules must address the criteria, procedure, timing, and location of acceptable
 97.15 replacement of wetland values; and may address the state establishment and administration
 97.16 of a wetland banking program for public and private projects, ~~which may include~~ including
 97.17 ~~provisions allowing monetary payment to the wetland banking program for alteration of~~
 97.18 ~~wetlands on agricultural land~~ for an in-lieu fee program; the administrative, monitoring, and
 97.19 enforcement procedures to be used; and a procedure for the review and appeal of decisions
 97.20 under this section. In the case of peatlands, the replacement plan rules must consider the
 97.21 impact on carbon balance ~~described in the report required by Laws 1990, chapter 587, and~~
 97.22 ~~include the planting of trees or shrubs.~~ Any in-lieu fee program established by the board
 97.23 must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

97.24 (b) After the adoption of the rules, a replacement plan must be approved by a
 97.25 resolution of the governing body of the local government unit, consistent with the
 97.26 provisions of the rules or a comprehensive wetland protection and management plan
 97.27 approved under section 103G.2243.

97.28 (c) If the local government unit fails to apply the rules, or fails to implement a
 97.29 local comprehensive wetland protection and management plan established under section
 97.30 103G.2243, the government unit is subject to penalty as determined by the board.

97.31 Sec. 36. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to
 97.32 read:

97.33 Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size,
 97.34 or type of a wetland shall be submitted to and determined by a Technical Evaluation

98.1 Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of
 98.2 a technical professional employee of the board, a technical professional employee of
 98.3 the local soil and water conservation district or districts, a technical professional with
 98.4 expertise in water resources management appointed by the local government unit, and
 98.5 a technical professional employee of the Department of Natural Resources for projects
 98.6 affecting public waters or wetlands adjacent to public waters. The panel shall use the
 98.7 "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987),
 98.8 including updates, supplementary guidance, and replacements, if any, "Wetlands of
 98.9 the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition),
 98.10 and "Classification of Wetlands and Deepwater Habitats of the United States" (1979
 98.11 edition). The panel shall provide the wetland determination and recommendations on
 98.12 other technical matters to the local government unit that must approve a replacement plan,
 98.13 ~~wetland banking plan~~ sequencing, exemption determination, no-loss determination, or
 98.14 wetland boundary or type determination and may recommend approval or denial of the
 98.15 plan. The authority must consider and include the decision of the Technical Evaluation
 98.16 Panel in their approval or denial of a plan or determination.

98.17 (b) Persons conducting wetland or public waters boundary delineations or type
 98.18 determinations are exempt from the requirements of chapter 326. The board may develop
 98.19 a professional wetland delineator certification program.

98.20 (c) The board must establish an interagency team to assist in identifying and
 98.21 evaluating potential wetland replacement sites. The team must consist of members
 98.22 of the Technical Evaluation Panel and representatives from the Department of Natural
 98.23 Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St.
 98.24 Paul district; and other organizations as determined by the board.

98.25 Sec. 37. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to
 98.26 read:

98.27 Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be
 98.28 completed prior to or concurrent with the actual draining or filling of a wetland, unless:

98.29 (1) an irrevocable bank letter of credit or other security financial assurance
 98.30 acceptable to the local government unit or the board is given to the local government unit
 98.31 or the board to guarantee the successful completion of the replacement; or

98.32 (2) the replacement is approved under an in-lieu fee program according to rules
 98.33 adopted under subdivision 1. In the case of an in-lieu fee program established by a
 98.34 board-approved sponsor, the board may require that a financial assurance in an amount

99.1 and method acceptable to the board be given to the board to ensure the approved sponsor
 99.2 fulfills the sponsor's obligation to complete the required wetland replacement.

99.3 ~~The board may establish, sponsor, or administer a wetland banking program, which~~
 99.4 ~~may include provisions allowing monetary payment to the wetland bank for impacts to~~
 99.5 ~~wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and~~
 99.6 ~~for public road projects. (b) The board may acquire land in fee title, purchase or accept~~
 99.7 ~~easements, enter into agreements, and purchase existing wetland replacement credits to~~
 99.8 ~~facilitate the wetland banking program. The board may establish in-lieu fee payment~~
 99.9 ~~amounts and hold money in an account in the special revenue fund, which is appropriated~~
 99.10 ~~to the board to be used solely for establishing replacement wetlands and administering the~~
 99.11 ~~wetland banking program.~~

99.12 (c) The board shall coordinate the establishment and operation of a wetland bank
 99.13 with the United States Army Corps of Engineers, the Natural Resources Conservation
 99.14 Service of the United States Department of Agriculture, and the commissioners of natural
 99.15 resources, agriculture, and the Pollution Control Agency.

99.16 Sec. 38. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to
 99.17 read:

99.18 Subd. 4. **Decision.** Upon receiving and considering all required data, the local
 99.19 government unit reviewing replacement plan applications, ~~banking plan sequencing~~
 99.20 applications, and exemption or no-loss determination requests must act on all replacement
 99.21 plan applications, ~~banking plan sequencing~~ applications, and exemption or no-loss
 99.22 determination requests in compliance with section 15.99.

99.23 Sec. 39. Minnesota Statutes 2014, section 103G.2242, subdivision 9, is amended to
 99.24 read:

99.25 Subd. 9. **Appeals to board.** (a) Appeal of a replacement plan, sequencing,
 99.26 exemption, wetland banking, wetland boundary or type determination, or no-loss decision
 99.27 may be obtained by mailing a petition and payment of a filing fee, which shall be retained
 99.28 by the board to defray administrative costs, to the board within 30 days after the postmarked
 99.29 date of the mailing or date of sending by electronic transmission specified in subdivision 7.
 99.30 If appeal is not sought within 30 days, the decision becomes final. If the petition for hearing
 99.31 is accepted, the amount posted must be returned to the petitioner. Appeal may be made by:

99.32 (1) the wetland owner;

99.33 (2) any of those to whom notice is required to be mailed or sent by electronic
 99.34 transmission under subdivision 7; or

100.1 (3) 100 residents of the county in which a majority of the wetland is located.

100.2 (b) Within 30 days after receiving a petition, the board shall decide whether to
100.3 grant the petition and hear the appeal. The board shall grant the petition unless the board
100.4 finds that:

100.5 (1) the appeal is without significant merit, trivial, or brought solely for the purposes
100.6 of delay;

100.7 (2) the petitioner has not exhausted all local administrative remedies;

100.8 (3) expanded technical review is needed;

100.9 (4) the local government unit's record is not adequate; or

100.10 (5) the petitioner has not posted a letter of credit, cashier's check, or cash if required
100.11 by the local government unit.

100.12 (c) In determining whether to grant the appeal, the board, executive director, or
100.13 dispute resolution committee shall also consider the size of the wetland, other factors in
100.14 controversy, any patterns of similar acts by the local government unit or petitioner, and
100.15 the consequences of the delay resulting from the appeal.

100.16 (d) If an appeal is granted, the appeal must be heard by the committee for dispute
100.17 resolution of the board, and a decision must be made by the board within 60 days of
100.18 filing the local government unit's record and the written briefs submitted for the appeal
100.19 and the hearing. The decision must be served by mail or by electronic transmission to
100.20 the parties to the appeal, and is not subject to the provisions of chapter 14. A decision
100.21 whether to grant a petition for appeal and a decision on the merits of an appeal must be
100.22 considered the decision of an agency in a contested case for purposes of judicial review
100.23 under sections 14.63 to 14.69.

100.24 (e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to
100.25 defray the administrative costs of appeals made to the board under this subdivision. Fees
100.26 established under this authority shall not exceed \$1,000. Establishment of the fee is not
100.27 subject to the rulemaking process of chapter 14 and section 14.386 does not apply.

100.28 (f) A replacement plan, sequencing, exemption, wetland banking, wetland boundary
100.29 or type determination, or no-loss decision that is included in a permit to mine under
100.30 section 93.481 is not subject to appeal under this subdivision.

100.31 Sec. 40. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to
100.32 read:

100.33 Subd. 12. **Replacement credits.** (a) No public or private wetland restoration,
100.34 enhancement, or construction may be allowed for replacement unless specifically
100.35 designated for replacement and paid for by the individual or organization performing the

101.1 wetland restoration, enhancement, or construction, ~~and is completed prior to any draining~~
 101.2 ~~or filling of the wetland.~~

101.3 (b) Paragraph (a) does not apply to a wetland whose owner has paid back with
 101.4 interest the individual or organization restoring, enhancing, or constructing the wetland.

101.5 (c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following
 101.6 actions, and others established in rule, that are consistent with criteria in rules adopted by
 101.7 the board in conjunction with the commissioners of natural resources and agriculture, are
 101.8 eligible for replacement credit as determined by the local government unit or the board,
 101.9 including enrollment in a statewide wetlands bank:

101.10 (1) reestablishment of permanent native, noninvasive vegetative cover on a wetland
 101.11 on agricultural land that was planted with annually seeded crops, was in a crop rotation
 101.12 seeding of pasture grasses or legumes, or was in a land retirement program during the
 101.13 past ten years;

101.14 (2) buffer areas of permanent native, noninvasive vegetative cover established or
 101.15 preserved on upland adjacent to replacement wetlands;

101.16 (3) wetlands restored for conservation purposes under terminated easements or
 101.17 contracts; ~~and~~

101.18 (4) water quality treatment ponds constructed to pretreat storm water runoff prior
 101.19 to discharge to wetlands, public waters, or other water bodies, provided that the water
 101.20 quality treatment ponds must be associated with an ongoing or proposed project that
 101.21 will impact a wetland and replacement credit for the treatment ponds is based on the
 101.22 replacement of wetland functions and on an approved storm water management plan for
 101.23 the local government; and

101.24 (5) in a greater than 80 percent area, restoration and protection of streams, riparian
 101.25 buffers, and habitat corridors that are important to the functions and sustainability of
 101.26 aquatic resources.

101.27 (d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the
 101.28 board may establish by rule different replacement ratios for restoration projects with
 101.29 exceptional natural resource value.

101.30 Sec. 41. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to
 101.31 read:

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

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

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

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

102.4 (b) The board may establish fees at or below the amounts in paragraph (a) for
 102.5 single-user or other dedicated wetland banking accounts.

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

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

102.13 Sec. 42. Minnesota Statutes 2014, section 103G.2242, subdivision 15, is amended to
 102.14 read:

102.15 Subd. 15. **Fees paid to board.** All fees established in subdivisions 9 and 14 must
 102.16 be paid to the Board of Water and Soil Resources and are annually appropriated to the
 102.17 board for the purpose of administration of the wetland bank and to process appeals
 102.18 under ~~section 103G.2242~~, subdivision 9. One-half of the fees collected for wetland bank
 102.19 credit withdrawals under subdivision 14, paragraph (a), clause (3), or alternative fees
 102.20 for wetland bank credit withdrawal under subdivision 14, paragraph (b), must be paid
 102.21 to the county where the property for wetland credit is located. The amount paid to the
 102.22 county must be distributed as follows: one-third to the school district; one-third to the
 102.23 city or organized township; and one-third to the county. If the property is located in an
 102.24 unorganized township, the county retains the township share.

102.25 Sec. 43. Minnesota Statutes 2014, section 103G.2251, is amended to read:

102.26 **103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK**
 102.27 **CREDIT.**

102.28 In greater than 80 percent areas, preservation of wetlands, riparian buffers,
 102.29 habitat corridors, and watershed areas essential to maintaining important functions and
 102.30 sustainability of aquatic resources in the watershed that are protected by a permanent
 102.31 conservation easement as defined under section 84C.01 and held by the board may be
 102.32 eligible for wetland replacement or mitigation credits, according to rules adopted by
 102.33 the board. To be eligible for credit under this section, a conservation easement must be
 102.34 established after May 24, 2008, and approved by the board. Wetland areas on private

103.1 lands preserved under this section are not eligible for replacement or mitigation credit if
103.2 the area has been protected using public conservation funds.

103.3 Sec. 44. Minnesota Statutes 2014, section 115A.1415, subdivision 16, is amended to
103.4 read:

103.5 Subd. 16. **Administrative fee.** (a) The stewardship organization or individual
103.6 producer submitting a stewardship plan shall pay an annual administrative fee to the
103.7 commissioner. The agency may establish a variable fee based on relevant factors,
103.8 including, but not limited to, the portion of architectural paint sold in the state by members
103.9 of the organization compared to the total amount of architectural paint sold in the state by
103.10 all organizations submitting a stewardship plan.

103.11 (b) Prior to July 1, 2014, and before July 1 annually thereafter, the agency shall
103.12 identify the costs it incurs under this section. The agency shall set the fee at an amount
103.13 that, when paid by every stewardship organization or individual producer that submits a
103.14 stewardship plan, is adequate to reimburse the agency's full costs of administering this
103.15 section. The total amount of annual fees collected under this subdivision must not exceed
103.16 the amount necessary to reimburse costs incurred by the agency to administer this section.

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

103.22 (d) All fees received under this section shall be deposited in the state treasury and
103.23 credited to a product stewardship account in the special revenue fund. For fiscal years
103.24 2014 ~~and~~ 2015, 2016, and 2017, the amount collected under this section is annually
103.25 appropriated to the agency to implement and enforce this section.

103.26 Sec. 45. Minnesota Statutes 2014, section 115A.557, subdivision 2, is amended to read:

103.27 Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money
103.28 distributed by the commissioner under this section may use the money only for the
103.29 development and implementation of programs to:

103.30 (1) reduce the amount of solid waste generated;

103.31 (2) recycle the maximum amount of solid waste technically feasible;

103.32 (3) create and support markets for recycled products;

103.33 (4) remove problem materials from the solid waste stream and develop proper
103.34 disposal options for them;

104.1 (5) inform and educate all sectors of the public about proper solid waste management
104.2 procedures;

104.3 (6) provide technical assistance to public and private entities to ensure proper solid
104.4 waste management;

104.5 (7) provide educational, technical, and financial assistance for litter prevention;

104.6 (8) process mixed municipal solid waste generated in the county at a resource
104.7 recovery facility located in Minnesota; ~~and~~

104.8 (9) compost source-separated compostable materials, including the provision of
104.9 receptacles for residential composting;

104.10 (10) prevent food waste or collect and transport food donated to humans or to be
104.11 fed to animals; and

104.12 (11) process source-separated compostable materials that are to be used to produce
104.13 Class I or Class II compost, as defined in Minnesota Rules, part 7035.2836, after being
104.14 processed in an anaerobic digester, but not to construct buildings or acquire equipment.

104.15 (b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed
104.16 by the commissioner under this section to a metropolitan county, as defined in section
104.17 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under
104.18 this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in
104.19 paragraph (a), ~~clause~~ clauses (9) to (11); and (2) the remainder must be expended on
104.20 activities in paragraph (a), clauses (1) to (7) and (9) to (11) that advance the county toward
104.21 achieving its recycling goal under section 115A.551.

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

104.23 Sec. 46. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

104.24 Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater
104.25 than those necessary to cover the reasonable costs of developing, reviewing, and acting
104.26 upon applications for agency permits and implementing and enforcing the conditions of
104.27 the permits pursuant to agency rules. Permit fees shall not include the costs of litigation.
104.28 The fee schedule must reflect reasonable and routine direct and indirect costs associated
104.29 with permitting, implementation, and enforcement. The agency may impose an additional
104.30 enforcement fee to be collected for a period of up to two years to cover the reasonable costs
104.31 of implementing and enforcing the conditions of a permit under the rules of the agency.
104.32 Any money collected under this paragraph shall be deposited in the environmental fund.

104.33 (b) Notwithstanding paragraph (a), the agency shall collect an annual fee from
104.34 the owner or operator of all stationary sources, emission facilities, emissions units, air
104.35 contaminant treatment facilities, treatment facilities, potential air contaminant storage

105.1 facilities, or storage facilities subject to ~~the requirement to obtain a permit~~ a notification,
105.2 permit, or license requirement under subchapter this chapter, subchapters I and V of
105.3 the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section
105.4 ~~116-081~~ or rules adopted thereunder. The annual fee shall be used to pay for all direct
105.5 and indirect reasonable costs, including ~~attorney general~~ legal costs, required to develop
105.6 and administer the notification, permit, or license program requirements of ~~subchapter~~
105.7 this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title
105.8 42, section 7401 et seq., and sections of this chapter and the or rules adopted under
105.9 ~~this chapter related to air contamination and noise~~ thereunder. Those costs include the
105.10 reasonable costs of reviewing and acting upon an application for a permit; implementing
105.11 and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient,
105.12 and deposition monitoring; preparing generally applicable regulations; responding to
105.13 federal guidance; modeling, analyses, and demonstrations; preparing inventories and
105.14 tracking emissions; and providing information to the public about these activities.

105.15 (c) The agency shall set fees that:

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

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

105.24 (3) shall collect, in the aggregate, from the sources listed in paragraph (b), the
105.25 amount needed to match grant funds received by the state under United States Code, title
105.26 42, section 7405 (section 105 of the federal Clean Air Act).

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

105.33 (d) To cover the reasonable costs described in paragraph (b), the agency shall
105.34 provide in the rules promulgated ~~under paragraph (e)~~ to implement paragraphs (b) and
105.35 (c) for an increase in the fee collected in each year by the percentage, if any, by which
105.36 the Consumer Price Index for the most recent calendar year ending before the beginning

106.1 of the year the fee is collected exceeds the Consumer Price Index for the calendar year
106.2 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is
106.3 the average of the Consumer Price Index for all-urban consumers published by the United
106.4 States Department of Labor, as of the close of the 12-month period ending on August 31
106.5 of each calendar year. The revision of the Consumer Price Index that is most consistent
106.6 with the Consumer Price Index for calendar year 1989 shall be used.

106.7 (e) Any money collected under ~~paragraphs (b) to (d)~~ this subdivision must be
106.8 deposited in the environmental fund and must be used solely for the activities listed in
106.9 paragraph (b).

106.10 (f) Permit applicants who wish to construct, reconstruct, or modify a facility may
106.11 offer to reimburse the agency for the costs of staff time or consultant services needed to
106.12 expedite the permit development process, including the analysis of environmental review
106.13 documents. The reimbursement shall be in addition to permit application fees imposed by
106.14 law. When the agency determines that it needs additional resources to develop the permit
106.15 application in an expedited manner, and that expediting the development is consistent with
106.16 permitting program priorities, the agency may accept the reimbursement. Reimbursements
106.17 accepted by the agency are appropriated to the agency for the purpose of developing
106.18 the permit or analyzing environmental review documents. Reimbursement by a permit
106.19 applicant shall precede and not be contingent upon issuance of a permit; shall not affect
106.20 the agency's decision on whether to issue or deny a permit, what conditions are included
106.21 in a permit, or the application of state and federal statutes and rules governing permit
106.22 determinations; and shall not affect final decisions regarding environmental review.

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

106.24 Sec. 47. Minnesota Statutes 2014, section 116.9401, is amended to read:

106.25 **116.9401 DEFINITIONS.**

106.26 (a) For the purposes of sections 116.9401 to ~~116.9407~~ 116.9411, the following terms
106.27 have the meanings given them.

106.28 (b) "Agency" means the Pollution Control Agency.

106.29 (c) "Alternative" means a substitute process, product, material, chemical, strategy,
106.30 or combination of these that is technically feasible and serves a functionally equivalent
106.31 purpose to a chemical in a children's product.

106.32 (d) "Chemical" means a substance with a distinct molecular composition or a group
106.33 of structurally related substances and includes the breakdown products of the substance or
106.34 substances that form through decomposition, degradation, or metabolism.

107.1 (e) "Chemical of high concern" means a chemical identified on the basis of credible
107.2 scientific evidence by a state, federal, or international agency as being known or suspected
107.3 with a high degree of probability to:

107.4 (1) harm the normal development of a fetus or child or cause other developmental
107.5 toxicity;

107.6 (2) cause cancer, genetic damage, or reproductive harm;

107.7 (3) disrupt the endocrine or hormone system;

107.8 (4) damage the nervous system, immune system, or organs, or cause other systemic
107.9 toxicity;

107.10 (5) be persistent, bioaccumulative, and toxic; or

107.11 (6) be very persistent and very bioaccumulative.

107.12 (f) "Child" means a person under 12 years of age.

107.13 (g) "Children's product" means a consumer product intended for use by children,
107.14 such as baby products, toys, car seats, personal care products, and clothing.

107.15 (h) "Commissioner" means the commissioner of the Pollution Control Agency.

107.16 (i) "Contaminant" means a trace amount of a chemical that is incidental to
107.17 manufacturing and serves no intended function in the product component. Contaminant
107.18 includes, but is not limited to, unintended by-products of chemical reactions that
107.19 occur during the manufacture of the product component, trace impurities in feedstock,
107.20 incompletely reacted chemical mixtures, and degradation products.

107.21 (j) "Department" means the Department of Health.

107.22 (k) "Distributor" means a person who sells consumer products to retail
107.23 establishments on a wholesale basis.

107.24 (l) "Green chemistry" means an approach to designing and manufacturing
107.25 products that minimizes the use and generation of toxic substances.

107.26 (m) "Manufacturer" means any person who manufactures a final consumer
107.27 product sold at retail or whose brand name is affixed to the consumer product. In the
107.28 case of a consumer product imported into the United States, manufacturer includes the
107.29 importer or domestic distributor of the consumer product if the person who manufactured
107.30 or assembled the consumer product or whose brand name is affixed to the consumer
107.31 product does not have a presence in the United States.

107.32 (n) "Practical quantification limit" means the lowest concentration of a chemical that
107.33 can be reliably measured within specified limits of precision, accuracy, representativeness,
107.34 completeness, and comparability under routine laboratory operating conditions, the value
107.35 of which:

107.36 (1) is based on scientifically defensible, standard analytical methods;

108.1 (2) may vary depending on the matrix and analytical method used; and
108.2 (3) will be determined jointly by the agency and the department, taking into
108.3 consideration practical quantification limits established by federal or state agencies.

108.4 ~~(m)~~ (o) "Priority chemical" means a chemical identified by the Department of Health
108.5 as a chemical of high concern that meets the criteria in section 116.9403.

108.6 ~~(n)~~ (p) "Product category" means the brick level of the GS1 Global Product
108.7 Classification (GPC) standard, which identifies products that serve a common purpose, are
108.8 of a similar form and material, and share the same set of category attributes.

108.9 (q) "Safer alternative" means an alternative whose potential to harm human health is
108.10 less than that of the use of a priority chemical that it could replace.

108.11 **EFFECTIVE DATE.** This section is effective July 1, 2016.

108.12 Sec. 48. Minnesota Statutes 2014, section 116.9402, is amended to read:

108.13 **116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.**

108.14 (a) By July 1, 2010, the department shall, after consultation with the agency,
108.15 generate a list of chemicals of high concern.

108.16 (b) The department must periodically review and revise the list of chemicals of
108.17 high concern at least every three years. The department may add chemicals to the list if
108.18 the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any
108.19 changes to the list of chemicals of high concern must be published on the department's
108.20 Web site and in the State Register when a change is made.

108.21 (c) The department shall consider chemicals listed as a suspected carcinogen,
108.22 reproductive or developmental toxicant, or as being persistent, bioaccumulative, and
108.23 toxic, or very persistent and very bioaccumulative by a state, federal, or international
108.24 agency. These agencies may include, but are not limited to, the California Environmental
108.25 Protection Agency, the Washington Department of Ecology, the United States Department
108.26 of Health, the United States Environmental Protection Agency, the United Nation's World
108.27 Health Organization, and European Parliament Annex XIV concerning the Registration,
108.28 Evaluation, Authorisation, and Restriction of Chemicals.

108.29 (d) The department may consider chemicals listed by another state as harmful to
108.30 human health or the environment for possible inclusion in the list of chemicals of high
108.31 concern.

108.32 **EFFECTIVE DATE.** This section is effective July 1, 2016.

109.1 Sec. 49. Minnesota Statutes 2014, section 116.9403, is amended to read:

109.2 **116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.**

109.3 (a) The department, after consultation with the agency, may designate a chemical of
109.4 high concern as a priority chemical if the department finds that the chemical:

109.5 (1) has been identified as a high-production volume chemical by the United States
109.6 Environmental Protection Agency; and

109.7 (2) meets any of the following criteria:

109.8 (i) the chemical has been found through biomonitoring to be present in human blood,
109.9 including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

109.10 (ii) the chemical has been found through sampling and analysis to be present in
109.11 household dust, indoor air, drinking water, or elsewhere in the home environment; or

109.12 (iii) the chemical has been found through monitoring to be present in fish, wildlife,
109.13 or the natural environment.

109.14 (b) By February 1, 2011, the department shall publish a list of priority chemicals in
109.15 the State Register and on the department's Internet Web site and shall update the published
109.16 list whenever a new priority chemical is designated. Any proposed changes to the list of
109.17 priority chemicals must be published on the department's Web site and in the State Register
109.18 and is subject to a minimum 60-day public comment period. After the department's
109.19 review and consideration of public comments, a final list of changes to the list of priority
109.20 chemicals must be published on the department's Web site and in the State Register.

109.21 **EFFECTIVE DATE.** This section is effective July 1, 2016.

109.22 Sec. 50. Minnesota Statutes 2014, section 116.9405, is amended to read:

109.23 **116.9405 APPLICABILITY.**

109.24 The requirements of sections 116.9401 to ~~116.9407~~ 116.9411 do not apply to:

109.25 (1) chemicals in used children's products;

109.26 (2) priority chemicals used in the manufacturing process, but that are not present
109.27 in the final product;

109.28 (3) priority chemicals used in agricultural production;

109.29 (4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter
109.30 86B or their component parts, except that the use of priority chemicals in detachable
109.31 car seats is not exempt;

109.32 (5) priority chemicals generated solely as combustion by-products or that are present
109.33 in combustible fuels;

- 110.1 (6) retailers, except if a retailer is also the producer, manufacturer, importer, or
 110.2 domestic distributor of a children's product containing a priority chemical or the retailer's
 110.3 brand name is affixed to a children's product containing a priority chemical;
 110.4 (7) pharmaceutical products or biologics;
 110.5 (8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United
 110.6 States Code, title 21, section 321(h);
 110.7 (9) food and food or beverage packaging, except a container containing baby food
 110.8 or infant formula;
 110.9 (10) consumer electronics products and electronic components, including but not
 110.10 limited to personal computers; audio and video equipment; calculators; digital displays;
 110.11 wireless phones; cameras; game consoles; printers; and handheld electronic and electrical
 110.12 devices used to access interactive software or their associated peripherals; or products that
 110.13 comply with the provisions of directive 2002/95/EC of the European Union, adopted by
 110.14 the European Parliament and Council of the European Union now or hereafter in effect; ~~or~~
 110.15 (11) outdoor sport equipment, including snowmobiles as defined in section 84.81,
 110.16 subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal
 110.17 watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section
 110.18 86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787,
 110.19 subdivision 7, and all attachments and repair parts for all of this equipment;
 110.20 (12) a manufacturer or distributor of a children's product whose annual aggregate
 110.21 gross sales, both within and outside this state, as reported in the manufacturer's or
 110.22 distributor's most recently filed federal tax return, is below \$100,000; or
 110.23 (13) a children's product if the annual production of the children's product is less
 110.24 than 3,000 units.

110.25 **EFFECTIVE DATE.** This section is effective July 1, 2016.

110.26 Sec. 51. Minnesota Statutes 2014, section 116.9406, is amended to read:

110.27 **116.9406 DONATIONS TO THE STATE.**

110.28 The commissioner may accept donations, grants, and other funds to carry out the
 110.29 purposes of sections 116.9401 to ~~116.9407~~ 116.9411. All donations, grants, and other
 110.30 funds must be accepted without preconditions regarding the outcomes of the regulatory
 110.31 oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9411.

110.32 **EFFECTIVE DATE.** This section is effective July 1, 2016.

111.1 Sec. 52. **[116.9408] CHILDREN'S PRODUCTS; REPORTING INFORMATION**
111.2 **ON PRIORITY CHEMICALS.**

111.3 Subdivision 1. **Reporting; content.** A manufacturer or distributor of a children's
111.4 product offered for sale in this state that contains one or more priority chemicals
111.5 designated under section 116.9403 must, unless the children's product is exempt under
111.6 section 116.9405, provide the following information to the agency, on a form developed by
111.7 the agency, for each priority chemical that is intentionally added to the children's product
111.8 and present at or above the practical quantification limit or that is a contaminant present in
111.9 a component of the children's product at a concentration above 100 parts per million:

111.10 (1) the name of the priority chemical;

111.11 (2) the Chemical Abstracts Service Registry number of the priority chemical;

111.12 (3) the concentration of each priority chemical contained in a children's product, a
111.13 description of how the concentration was determined, and an evaluation of the accuracy
111.14 of the determination. Concentrations at or above the practical quantification limit must
111.15 be reported, but may be reported in the following ranges:

111.16 (i) greater than or equal to the practical quantification limit but less than 100 parts
111.17 per million (ppm);

111.18 (ii) greater than or equal to 100 ppm but less than 500 ppm;

111.19 (iii) greater than or equal to 500 ppm but less than 1,000 ppm;

111.20 (iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;

111.21 (v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and

111.22 (vi) greater than or equal to 10,000 ppm;

111.23 (4) the product category of the children's product;

111.24 (5) the number of units of the children's product sold in Minnesota or nationally in
111.25 the most recently completed calendar year;

111.26 (6) information that the agency determines is necessary to determine the extent to
111.27 which a child is likely to be exposed to the priority chemical through normal use of the
111.28 product;

111.29 (7) any assessment conducted by the manufacturer or distributor of the children's
111.30 product or others regarding the use of safer alternatives to the priority chemical contained
111.31 in the children's product; and

111.32 (8) any additional information requested by the agency.

111.33 Subd. 2. **Report timing.** (a) A manufacturer or distributor subject to this section
111.34 must report the information required under this section to the agency no later than one
111.35 year after a priority chemical has been designated under section 116.9403 or, for a priority
111.36 chemical designated under section 116.9403 before July 1, 2011, on the following

112.1 schedule based on the manufacturer's or distributor's annual aggregate gross sales, both
112.2 within and outside the state, as reported in the manufacturer's or distributor's most recently
112.3 filed federal tax return:

112.4 (1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, by
112.5 July 1, 2018;

112.6 (2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but
112.7 less than or equal to \$1,000,000,000, by January 1, 2019;

112.8 (3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but
112.9 less than or equal to \$250,000,000, by July 1, 2019;

112.10 (4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but less
112.11 than or equal to \$100,000,000, by July 1, 2020; and

112.12 (5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less
112.13 than or equal to \$5,000,000, by July 1, 2021.

112.14 (b) Two years after submitting an initial report to the agency under this section,
112.15 a manufacturer or distributor of a children's product offered for sale in this state that
112.16 continues to contain one or more priority chemicals must submit an updated report
112.17 containing the information required under subdivision 1 and the 12-digit Universal
112.18 Product Code for the children's product. If the children's product continues to be offered
112.19 for sale in this state and to contain the priority chemical, the information required under
112.20 this paragraph must be submitted to the agency every two years.

112.21 Subd. 3. **Public data.** Notwithstanding section 13.37, subdivision 2, the presence
112.22 and concentration of a priority chemical in a specific children's product reported to the
112.23 agency under this section are classified as public data.

112.24 Subd. 4. **Not misappropriation of trade secret.** Notwithstanding section 325C.01,
112.25 subdivision 3, publication by the agency of the presence and concentration of a priority
112.26 chemical in a specific children's product reported to the agency under this section is not
112.27 misappropriation of a trade secret.

112.28 Subd. 5. **Removal of priority chemical; reporting.** A manufacturer or distributor
112.29 who removes a priority chemical from a children's product reported under this section
112.30 must notify the agency of the removal at the earliest possible date. If the priority
112.31 chemical removed is replaced by a safer alternative, the manufacturer or distributor
112.32 must provide, on a form developed by the agency, the name of the safer alternative
112.33 and its Chemical Abstracts Service Registry number or, if not replaced by a chemical
112.34 alternative, a description of the techniques or design changes implemented. The safer
112.35 alternative or nonchemical techniques or design changes may be designated as trade
112.36 secrets. Upon verification that all priority chemicals in the product have been replaced by

113.1 safer alternatives, the commissioner must promptly remove from state agency Web sites
113.2 any reference to the relevant children's product of the manufacturer, and the manufacturer
113.3 will no longer report or pay fees on that children's product.

113.4 Subd. 6. **Failure to report.** If the information required in this section is not
113.5 submitted in a timely fashion or is incomplete or otherwise unacceptable as determined
113.6 by the agency, the agency may contract with an independent third party of the agency's
113.7 choice to provide the information and may assess a fee on the manufacturer or distributor
113.8 to pay the costs specified under section 116.9409.

113.9 **EFFECTIVE DATE.** This section is effective July 1, 2016.

113.10 Sec. 53. **[116.9409] FEES.**

113.11 (a) The agency shall collect a fee of \$1,000 for each priority chemical initially
113.12 reported under section 116.9408. The fee increases by \$1,000 for each report subsequently
113.13 filed with the agency under section 116.9408 for the same chemical contained in the same
113.14 children's product category, up to a maximum of \$3,000.

113.15 (b) The agency shall collect a fee equal to the costs billed by the independent
113.16 contractor plus the agency's actual incurred costs to bid and administer the contract for
113.17 each contract issued under section 116.9408, subdivision 6.

113.18 (c) The commissioner shall deposit all fees received under this section in an account
113.19 in the special revenue fund.

113.20 (d) Fees collected under this section are exempt from section 16A.1285.

113.21 **EFFECTIVE DATE.** This section is effective July 1, 2016.

113.22 Sec. 54. **[116.9410] ENFORCEMENT.**

113.23 The agency shall enforce sections 116.9401 to 116.9409 in the manner provided by
113.24 section 115.071, subdivisions 1, 3, 4, 5, and 6. Section 115.071, subdivision 2, does not
113.25 apply to violations of sections 116.9401 to 116.9409.

113.26 **EFFECTIVE DATE.** This section is effective July 1, 2016.

113.27 Sec. 55. **[116.9411] STATE AGENCY DUTIES.**

113.28 Subdivision 1. **Safer alternative grants.** If there is fee revenue collected under
113.29 section 116.9409, paragraph (a), in excess of program implementation costs, the
113.30 commissioner, in consultation with the commissioners of commerce and health, may
113.31 use that fee revenue to offer grants awarded competitively to manufacturers or other
113.32 researchers to develop safer alternatives to priority chemicals in children's products,

114.1 to establish alternatives as safer alternatives, or to accelerate the commercialization of
114.2 safer alternatives.

114.3 Subd. 2. **Education and outreach.** The commissioners of health and commerce
114.4 shall develop and implement an education and outreach effort regarding priority chemicals
114.5 in children's products.

114.6 Subd. 3. **Report.** By January 15, 2019, and every three years thereafter, the
114.7 commissioners of the Pollution Control Agency, health, and commerce shall report to
114.8 the legislative committees with jurisdiction over environment and natural resources,
114.9 commerce, and public health on the implementation of sections 116.9401 to 116.9411.

114.10 **EFFECTIVE DATE.** This section is effective July 1, 2016.

114.11 Sec. 56. **TRANSFERS.**

114.12 (a) On June 30, 2015, the commissioner of management and budget shall transfer
114.13 to the natural resources conservation easement stewardship account, established in
114.14 Minnesota Statutes, section 84.69, the remaining balance:

114.15 (1) in the forests for the future conservation easement account under section 84.68;
114.16 and

114.17 (2) of all appropriations to the Department of Natural Resources from the outdoor
114.18 heritage fund for the establishment of conservation easement monitoring and enforcement
114.19 accounts.

114.20 (b) On June 30, 2015, the commissioner of management and budget shall transfer to
114.21 the water and soil conservation easement stewardship account, established in Minnesota
114.22 Statutes, section 103B.103, the remaining balance of all appropriations to the board from
114.23 the outdoor heritage fund for the establishment of conservation easement monitoring
114.24 and enforcement accounts.

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

114.26 Sec. 57. **WETLAND CONSERVATION ACT REPORT.**

114.27 By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the
114.28 Department of Natural Resources, shall report to the committees with jurisdiction over
114.29 environment and natural resources on the proposals to implement high priority areas for
114.30 wetland replacement and in-lieu fees for replacement and modify wetland replacement
114.31 siting and actions eligible for credit. In developing the report, the board and department
114.32 shall consult with stakeholders and agencies.

115.1 Sec. 58. **RULEMAKING; LIFTING SPEARING BANS AND NORTHERN PIKE**
115.2 **REGULATIONS.**

115.3 (a) The commissioner of natural resources shall amend Minnesota Rules, parts
115.4 6262.0575, subpart 9, and 6264.0400, subparts 70 and 72, to delete the language
115.5 prohibiting spearing.

115.6 (b) Notwithstanding Minnesota Statutes, section 97C.007, the commissioner of
115.7 natural resources shall amend Minnesota Rules, part 6264.0400, subpart 71, to delete the
115.8 language prohibiting spearing and modify the northern pike protected slot to 26 to 40 inches.

115.9 (c) The commissioner may use the good cause exemption under Minnesota Statutes,
115.10 section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota
115.11 Statutes, section 14.386, does not apply.

115.12 **EFFECTIVE DATE.** This section is effective July 1, 2015.

115.13 Sec. 59. **REFUNDS; YOUTH BEAR LICENSES.**

115.14 The commissioner of natural resources may issue refunds for youth bear licenses
115.15 that were purchased between August 1, 2013, and June 30, 2014, to individuals who were
115.16 10, 11, or 12 years old at the time of purchase.

115.17 Sec. 60. **WILD RICE WATER QUALITY STANDARDS.**

115.18 (a) Until the commissioner of the Pollution Control Agency adopts rules refining
115.19 the wild rice water quality standard in Minnesota Rules, part 7050.0224, subpart 2,
115.20 to incorporate new science and to include criteria for identifying waters and a list of
115.21 waters subject to the standard, implementation of the wild rice water quality standard
115.22 in Minnesota Rules, part 7050.0224, subpart 2, is limited to the following, unless the
115.23 permittee requests additional conditions:

115.24 (1) the agency shall ensure that no existing discharge further causes or contributes to
115.25 sulfate impacts to wild rice and, to accomplish this, is limited by the following conditions:

115.26 (i) the agency shall not require permittees to expend money for design or
115.27 implementation of sulfate treatment technologies or other forms of sulfate mitigation; and

115.28 (ii) the agency may require sulfate minimization plans in permits;

115.29 (2) the agency shall consider wild rice protection when evaluating proposals for new
115.30 or expanded discharges that include sulfate; and

115.31 (3) the agency shall not list waters containing natural beds of wild rice as impaired
115.32 for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title
115.33 33, section 1313, until the rulemaking described in this paragraph takes effect.

116.1 (b) Upon the rule described in paragraph (a) taking effect, the agency may reopen
 116.2 permits issued or reissued after the effective date of this section as needed to include
 116.3 numeric permit limits based on the wild rice water quality standard.

116.4 (c) The commissioner shall complete the rulemaking described in paragraph (a) by
 116.5 January 15, 2018.

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

116.7 Sec. 61. **MINIMUM WATER QUALITY STANDARDS.**

116.8 Until the Red River of the North water quality strategic plan is completed and
 116.9 submitted to the legislature according to article 3, section 2, subdivision 2, the Minnesota
 116.10 Pollution Control Agency must not require a current permittee that discharges to the Red
 116.11 River of the North to meet standards above the minimum standards for water quality that
 116.12 are set by the United States Environmental Protection Agency and that are applicable in
 116.13 North Dakota.

116.14 Sec. 62. **WORKING LANDS WATERSHED RESTORATION**
 116.15 **IMPLEMENTATION PLAN.**

116.16 (a) The Board of Water and Soil Resources shall develop a detailed plan to
 116.17 implement Minnesota Statutes, section 103F.519, that includes the following:

116.18 (1) selection of pilot watersheds that are expected to best demonstrate water quality
 116.19 improvements and exhibit readiness to participate in the program;

116.20 (2) an assessment of the quantity of agricultural lands that are expected to be eligible
 116.21 for the program in each watershed;

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

116.23 (4) an assessment of the contract terms and any recommendations for changes to
 116.24 the terms;

116.25 (5) an assessment of the opportunity to leverage federal funds through the program
 116.26 and recommendations on how to maximize the use of federal funds in the future;

116.27 (6) an estimate of water quality improvements resulting from implementation;

116.28 (7) an assessment of potential groundwater quantity use of the proposed advanced
 116.29 biofuel production facilities;

116.30 (8) an assessment of how to best integrate implementation with existing conservation
 116.31 requirements and practices;

116.32 (9) a timeline for implementation, coordinated to the extent possible with the
 116.33 proposed advanced biofuel production facilities; and

116.34 (10) a projection of funding sources needed to complete implementation.

117.1 (b) The board shall coordinate development of the plan with the commissioners of
 117.2 natural resources, agriculture, and the Pollution Control Agency. The implementation plan
 117.3 must be submitted by October 1, 2016, to the chairs and ranking minority members of the
 117.4 legislative committees and divisions with jurisdiction over agriculture, natural resources,
 117.5 and environment policy and finance and to the Clean Water Council.

117.6 **Sec. 63. COST ANALYSIS OF WATER QUALITY STANDARDS;**
 117.7 **APPROPRIATION.**

117.8 (a) The commissioner of the Pollution Control Agency, after consultation with the
 117.9 commissioner of management and budget, shall issue a request for proposal not to exceed
 117.10 \$..... to contract with a nonstate entity for an engineering cost analysis of current and
 117.11 recently adopted, proposed, or anticipated changes to water quality standards and rules,
 117.12 including:

117.13 (1) recently adopted or proposed changes to total suspended solid, nutrient, chloride,
 117.14 nitrate, and sulfate standards;

117.15 (2) proposed nondegradation rulemaking provisions; and

117.16 (3) proposed changes to water quality standards to incorporate a tiered aquatic
 117.17 life use framework.

117.18 (b) The contractor may employ engineering subcontractors serving local
 117.19 governments to complete the analysis. The analysis must include a cost analysis for
 117.20 a representative sample of at least 15 communities. The sample must include a diverse
 117.21 set of communities based on geography, watersheds, community size, wastewater facility
 117.22 types and operators, storm water system types, and other factors to ensure the analysis is
 117.23 representative of the state as a whole. The analysis must include:

117.24 (1) an estimate of the overall capital and operating costs to maintain and upgrade
 117.25 wastewater and storm water systems for existing water quality standards;

117.26 (2) an estimate of the overall capital and operating costs likely to be incurred
 117.27 to upgrade wastewater and storm water systems for recently adopted, proposed, or
 117.28 anticipated changes to water quality standards; and

117.29 (3) an estimate of the incremental effect to overall water quality in the receiving
 117.30 waters as a direct result of the recently adopted, proposed, or anticipated changes to
 117.31 water quality standards.

117.32 (c) The commissioner shall submit the analysis to the chairs and ranking minority
 117.33 members of the committees and divisions of the house of representatives and senate with
 117.34 jurisdiction over water quality standards no later than January 1, 2017.

118.1 (d) Until 45 legislative days after the report is submitted under paragraph (c), the
 118.2 commissioner of the Pollution Control Agency must not require additional wastewater
 118.3 treatment at wastewater treatment facilities that are necessary due to the changes in the
 118.4 agency's water quality rules adopted on August 4, 2014.

118.5 **EFFECTIVE DATE.** Paragraph (d) of this section is effective the day following
 118.6 final enactment.

118.7 Sec. 64. **REVISOR'S INSTRUCTION.**

118.8 The revisor of statutes shall renumber the subdivisions of Minnesota Statutes,
 118.9 section 103G.005, to retain alphabetical order and shall correct cross-references to the
 118.10 renumbered subdivisions.

118.11 Sec. 65. **REPEALER.**

118.12 (a) Minnesota Statutes 2014, section 84.68, is repealed.

118.13 (b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

118.14 (c) Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws
 118.15 2010, First Special Session chapter 1, article 6, section 6, Laws 2013, chapter 114, article
 118.16 3, section 9, is repealed.

118.17 **EFFECTIVE DATE.** Paragraph (b) of this section is effective the day following
 118.18 final enactment.

118.19 **ARTICLE 5**

118.20 **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS**

118.21 Section 1. **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING**
 118.22 **APPROPRIATIONS.**

118.23 The sums shown in the columns marked "Appropriations" are appropriated to the
 118.24 agencies and for the purposes specified in this article. The appropriations are from the
 118.25 general fund, or another named fund, and are available for the fiscal years indicated
 118.26 for each purpose. The figures "2016" and "2017" used in this article mean that the
 118.27 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 118.28 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 118.29 year 2017. "The biennium" is fiscal years 2016 and 2017.

118.30	<u>APPROPRIATIONS</u>	
118.31	<u>Available for the Year</u>	
118.32	<u>Ending June 30</u>	
118.33	<u>2016</u>	<u>2017</u>

119.1 **Sec. 2. DEPARTMENT OF EMPLOYMENT**
 119.2 **AND ECONOMIC DEVELOPMENT**

119.3 **Subdivision 1. Total Appropriation** \$ 140,019,000 \$ 113,449,000

119.4 Appropriations by Fund

119.5	<u>2016</u>	<u>2017</u>
119.6 <u>General</u>	<u>112,088,000</u>	<u>85,510,000</u>
119.7 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
119.8 <u>Workforce</u>		
119.9 <u>Development</u>	<u>27,231,000</u>	<u>27,239,000</u>

119.10 The amounts that may be spent for each
 119.11 purpose are specified in the following
 119.12 subdivisions.

119.13 **Subd. 2. Business and Community**
 119.14 **Development**

119.15 Appropriations by Fund

119.16 <u>General</u>	<u>55,670,000</u>	<u>49,847,000</u>
119.17 <u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

119.18 (a)(1) \$17,350,000 the first year and
 119.19 \$13,500,000 the second year are for the
 119.20 Minnesota investment fund under Minnesota
 119.21 Statutes, section 116J.8731. Of this amount,
 119.22 the commissioner of employment and
 119.23 economic development may use up to three
 119.24 percent for administrative expenses and
 119.25 technology upgrades. This appropriation is
 119.26 available until expended.

119.27 (2) Of the amount appropriated in fiscal year
 119.28 2016, \$4,000,000 is for a loan to construct a
 119.29 \$10,000,000 aircraft manufacturing facility.
 119.30 Funds available under this clause may be
 119.31 used for purchases of materials and supplies
 119.32 made from July 1, 2015, through June 30,
 119.33 2016, and which are directly related to the
 119.34 construction of the aircraft manufacturing
 119.35 facility. This loan is not subject to the
 119.36 limitations under Minnesota Statutes, section

120.1 116J.8731, subdivision 5. The commissioner
120.2 shall forgive the loan after verification that
120.3 the project has satisfied performance goals
120.4 and contractual obligations as required
120.5 under Minnesota Statutes, section 116J.8731,
120.6 subdivision 7. The amount available under
120.7 this clause is available until expended.

120.8 (3) Of the amount appropriated in fiscal year
120.9 2016, \$12,000,000 is for a loan to construct
120.10 a biochemical facility that uses cellulosic
120.11 feedstock to produce chemical products.
120.12 This loan is not subject to the limitations
120.13 under Minnesota Statutes, section 116J.8731,
120.14 subdivision 5, and shall be matched by money
120.15 designated by the Iron Range Resources and
120.16 Rehabilitation Board. The commissioner
120.17 shall forgive the loan after verification that
120.18 the project has satisfied performance goals
120.19 and contractual obligations as required
120.20 under Minnesota Statutes, section 116J.8731,
120.21 subdivision 7. The amount available under
120.22 this clause is available until expended.

120.23 (4) Of the amount appropriated in fiscal
120.24 year 2017, \$1,000,000 is for a grant to a
120.25 solid waste management company in Delano
120.26 for site development and planning for an
120.27 innovative municipal solid waste processing
120.28 facility with an annual capacity of up to
120.29 125,000 tons as a demonstration project
120.30 to manage organics through the use of an
120.31 emerging technology to recover organic
120.32 material and nonrecyclable paper, which
120.33 represents half the volume of material that is
120.34 currently placed in a landfill, and process it
120.35 in a high solids anaerobic digester to produce
120.36 Class I or II compost and compressed natural

121.1 gas for use in the company's solid waste
121.2 collection vehicles. This appropriation
121.3 requires a match from nonstate sources,
121.4 which may not include funds that have
121.5 already been expended on the project or
121.6 in-kind contributions.

121.7 (5) Of the amount appropriated in fiscal year
121.8 2016, \$350,000 is for the Harbor at Tower
121.9 project to reestablish navigable access to the
121.10 harbor. This appropriation is available until
121.11 expended.

121.12 (6) Of the amount appropriated in fiscal
121.13 year 2016, \$1,000,000 is for reconstruction
121.14 and expansion of a runway at the Duluth
121.15 airport. This appropriation is available until
121.16 expended.

121.17 (b) \$12,500,000 each year is for the
121.18 Minnesota job creation fund under Minnesota
121.19 Statutes, section 116J.8748. Of this amount,
121.20 the commissioner of employment and
121.21 economic development may use up to three
121.22 percent for administrative expenses. This
121.23 appropriation is available until expended.
121.24 The base amount for fiscal year 2018 and
121.25 thereafter is \$10,324,000.

121.26 (c) \$1,272,000 each year is from the
121.27 general fund for contaminated site cleanup
121.28 and development grants under Minnesota
121.29 Statutes, sections 116J.551 to 116J.558. This
121.30 appropriation is available until expended.

121.31 (d) \$700,000 each year is from the
121.32 remediation fund for contaminated site
121.33 cleanup and development grants under
121.34 Minnesota Statutes, sections 116J.551 to

122.1 116J.558. This appropriation is available
122.2 until expended.

122.3 (e) \$4,425,000 each year is from the
122.4 general fund for the business development
122.5 competitive grant program. Of this
122.6 amount, up to three percent is for
122.7 administration and monitoring of the
122.8 business development competitive grant
122.9 program. The commissioner shall award
122.10 grants to applicants that received a business
122.11 development grant in the previous biennium
122.12 through the competitive grant program,
122.13 or were named in Laws 2013, chapter 85,
122.14 or Laws 2014, chapter 312. Remaining
122.15 amounts shall be used to increase grant
122.16 awards compared to the previous biennium
122.17 and for new grantees. All grant awards shall
122.18 be for two consecutive years. Grants shall be
122.19 awarded in the first year.

122.20 A Minnesota-based nonprofit with
122.21 demonstrated expertise in water technology
122.22 research and development is eligible to
122.23 apply for a business development grant
122.24 under this paragraph in order to establish a
122.25 water technology cluster development pilot
122.26 program.

122.27 (f) \$4,195,000 each year is from the general
122.28 fund for the Minnesota job skills partnership
122.29 program under Minnesota Statutes, sections
122.30 116L.01 to 116L.17. If the appropriation for
122.31 either year is insufficient, the appropriation
122.32 for the other year is available.

122.33 (g) \$12,000 each year is from the general
122.34 fund for a grant to the Upper Minnesota Film
122.35 Office.

123.1 (h) \$325,000 each year is from the general
123.2 fund for the Minnesota Film and TV Board.
123.3 The appropriation in each year is available
123.4 only upon receipt by the board of \$1 in
123.5 matching contributions of money or in-kind
123.6 contributions from nonstate sources for every
123.7 \$3 provided by this appropriation, except that
123.8 each year up to \$50,000 is available on July
123.9 1 even if the required matching contribution
123.10 has not been received by that date.

123.11 (i) \$6,500,000 each year is from the general
123.12 fund for a grant to the Minnesota Film
123.13 and TV Board for the film production jobs
123.14 program under Minnesota Statutes, section
123.15 116U.26. This appropriation is available
123.16 until expended. The base amount for fiscal
123.17 year 2018 and thereafter is \$1,500,000.

123.18 (j) \$875,000 each year is from the general
123.19 fund for the host community economic
123.20 development program established in
123.21 Minnesota Statutes, section 116J.548.

123.22 (k) \$1,373,000 in fiscal year 2016 is for the
123.23 workforce housing grants pilot program in
123.24 Laws 2014, chapter 308, article 6, section 14.
123.25 This appropriation is onetime and is available
123.26 until June 30, 2018. The commissioner of
123.27 employment and economic development may
123.28 use up to five percent for administrative costs.

123.29 (l) \$2,000,000 each year is for the workforce
123.30 housing grant program in Minnesota Statutes,
123.31 section 116J.549. Of this amount, up to five
123.32 percent is for administration and monitoring
123.33 of the program. The first year appropriation
123.34 is available until June 30, 2019. The second

124.1 year appropriation is available until June 30,
 124.2 2020.
 124.3 (m) \$500,000 each year is for grants to
 124.4 small business development centers under
 124.5 Minnesota Statutes, section 116J.68. Funds
 124.6 made available under this paragraph may be
 124.7 used to match funds under the federal Small
 124.8 Business Development Center (SBDC)
 124.9 program under United States Code, title 15,
 124.10 section 648, provide consulting and technical
 124.11 services, or to build additional SBDC
 124.12 network capacity to serve entrepreneurs
 124.13 and small businesses. The commissioner
 124.14 shall allocate funds equally among the nine
 124.15 regional centers and the lead center.

124.16 (n) \$600,000 the first year is for a grant to
 124.17 a city of the second class that is designated
 124.18 as an economically depressed area by the
 124.19 United States Department of Commerce for
 124.20 economic development, redevelopment, and
 124.21 job creation programs and projects. This
 124.22 appropriation is available until expended. Of
 124.23 this amount, up to \$100,000 is for a grant to
 124.24 the St. Paul Port Authority for a feasibility
 124.25 study to solve access issues in and around
 124.26 Barge Channel Road. This amount for the
 124.27 feasibility study is contingent upon receipt
 124.28 of matching dollars from the Union Pacific
 124.29 Railroad.

124.30 **Subd. 3. Workforce Development**

124.31	<u>Appropriations by Fund</u>		
124.32	<u>General</u>	<u>4,489,000</u>	<u>2,289,000</u>
124.33	<u>Workforce</u>		
124.34	<u>Development</u>	<u>19,042,000</u>	<u>19,042,000</u>

124.35 (a) \$1,039,000 each year from the general
 124.36 fund and \$6,244,000 each year from the

125.1 workforce development fund are for the
125.2 adult workforce development competitive
125.3 grant program. Of this amount, up to three
125.4 percent is for administration and monitoring
125.5 of the program. The commissioner shall
125.6 award grants to applicants that received an
125.7 adult workforce development grant in the
125.8 previous biennium through the competitive
125.9 grant program, or were named in Laws 2013,
125.10 chapter 85, or Laws 2014, chapter 312.
125.11 Remaining amounts shall be used to increase
125.12 grant awards compared to the previous
125.13 biennium and for new grantees. All grant
125.14 awards shall be for two consecutive years.
125.15 Grants shall be awarded in the first year.
125.16 (b) \$4,500,000 each year is from the
125.17 workforce development fund for the
125.18 Minnesota youth program under Minnesota
125.19 Statutes, sections 116L.56 and 116L.561.
125.20 (c) \$1,000,000 each year is from the
125.21 workforce development fund for the
125.22 youthbuild program under Minnesota
125.23 Statutes, sections 116L.361 to 116L.366.
125.24 (d) \$450,000 each year is from the workforce
125.25 development fund for a grant to Minnesota
125.26 Diversified Industries, Inc., to provide
125.27 progressive development and employment
125.28 opportunities for people with disabilities.
125.29 (e) \$2,848,000 each year is from the
125.30 workforce development fund for the youth
125.31 workforce development competitive grant
125.32 program. Of this amount, up to three percent
125.33 is for administration and monitoring of the
125.34 youth workforce development competitive
125.35 grant program. The commissioner shall

126.1 award grants to applicants that received a
126.2 youth workforce development grant in the
126.3 previous biennium through the competitive
126.4 grant program, or were named in Laws 2013,
126.5 chapter 85, or Laws 2014, chapter 312.
126.6 Remaining amounts shall be used to increase
126.7 grant awards compared to the previous
126.8 biennium and for new grantees. All grant
126.9 awards shall be for two consecutive years.
126.10 Grants shall be awarded in the first year.
126.11 (f) \$1,500,000 each year is from the
126.12 workforce development fund for a grant
126.13 to FastTRAC-Minnesota Adult Careers
126.14 Pathways Program.
126.15 (g) \$1,500,000 each year is from the
126.16 workforce development fund for the
126.17 Opportunities Industrialization Center
126.18 programs. Of this amount, \$1,000,000
126.19 each year is for the Emerging Workforce
126.20 Coalition. The remaining amount shall be
126.21 divided equally among the eligible centers
126.22 that are not part of the coalition. This
126.23 appropriation shall be divided equally among
126.24 the eligible centers.
126.25 (h) \$750,000 each year is from the workforce
126.26 development fund for a grant to the
126.27 Minnesota Alliance of Boys and Girls
126.28 Clubs to administer a statewide project
126.29 of youth jobs skills development. This
126.30 project, which may have career guidance
126.31 components, including health and life skills,
126.32 is to encourage, train, and assist youth in
126.33 job-seeking skills, workplace orientation,
126.34 and job-site knowledge through coaching.

127.1 This grant requires a 25 percent match from
127.2 nonstate resources.

127.3 (i) \$500,000 each year is for the publication,
127.4 dissemination, and use of labor market
127.5 information under Minnesota Statutes,
127.6 section 116J.4011, and for pilot programs
127.7 in the workforce service areas to combine
127.8 career and higher education advising.

127.9 (j) \$250,000 each year is from the workforce
127.10 development fund for a grant to Big
127.11 Brothers, Big Sisters of the Greater Twin
127.12 Cities for workforce readiness, employment
127.13 exploration, and skills development for
127.14 youth ages 12 to 21. The grant must serve
127.15 youth in the Twin Cities, Central Minnesota,
127.16 and Southern Minnesota Big Brothers, Big
127.17 Sisters chapters.

127.18 (k) \$400,000 in fiscal year 2016 is for a grant
127.19 to YWCA Saint Paul for training and job
127.20 placement assistance, including commercial
127.21 driver's license training, through the job
127.22 placement and retention program. This is a
127.23 onetime appropriation.

127.24 (l) \$250,000 each year is for a grant to
127.25 Occupational Development Corporation, Inc.
127.26 in the city of Buhl to provide training and
127.27 employment opportunities for people with
127.28 disabilities and disadvantaged workers. This
127.29 is a onetime appropriation.

127.30 (m) \$150,000 in fiscal year 2016 is for an
127.31 analysis of various options for the delivery
127.32 of a family medical leave insurance program
127.33 and associated costs and benefits. This is a
127.34 onetime appropriation. This analysis shall
127.35 include:

128.1 (1) an evaluation of mechanisms for: (i) the
128.2 determination of eligibility; (ii) the collection
128.3 of employer and employee contributions; (iii)
128.4 the processing and payment of claims; and
128.5 (iv) an effective enforcement of the program
128.6 and the protection of employees who use or
128.7 seek to use family or medical leaves pursuant
128.8 to the program;

128.9 (2) an estimated timeline for implementation
128.10 of the various mechanisms and approaches
128.11 evaluated under clause (1);

128.12 (3) separate cost estimates for each of the
128.13 following types of leave: (i) parental leave;
128.14 (ii) leave to care for a family member with a
128.15 serious health condition; (iii) family leave;
128.16 and (iv) medical leave; and

128.17 (4) options and associated mechanisms for
128.18 financing the program including, but not
128.19 limited to, a premium assessed on employers
128.20 and employees.

128.21 In conducting this analysis, the commissioner
128.22 of employment and economic development
128.23 shall use the expertise of relevant state
128.24 agencies to take advantage of existing
128.25 systems, to minimize start-up costs, to
128.26 maximize use of existing agency systems
128.27 and programs and avoid redundancy, and
128.28 build on the experiences of other states and
128.29 agencies with existing or proposed paid
128.30 family and medical leave programs at the
128.31 state and federal level. The commissioner
128.32 shall report to the legislative committees with
128.33 jurisdiction over labor, jobs, and health and
128.34 human services on the results of its analysis
128.35 by January 15, 2016.

- 129.1 (n) \$500,000 each year is for rural career
129.2 counseling coordinator positions in the
129.3 workforce service areas and for the purposes
129.4 specified in Minnesota Statutes, section
129.5 116L.667. The commissioner, in consultation
129.6 with local workforce investment boards and
129.7 local elected officials in each of the service
129.8 areas receiving funds, shall develop a method
129.9 of distributing funds to provide equitable
129.10 services across workforce service areas.
- 129.11 (o) \$500,000 each year is for a grant to the
129.12 Eastside Enterprise Center for economic
129.13 development and job creation, including
129.14 loans, business and workforce training, and
129.15 business assistance. This appropriation
129.16 shall be divided equally between African
129.17 Economic Development Solutions, the Asian
129.18 Economic Development Association, and the
129.19 Latino Economic Development Center. This
129.20 is a onetime appropriation.
- 129.21 (p) \$150,000 each year is for a grant to
129.22 Ujamaa Place for implementation of paid
129.23 internships through the employment and
129.24 career preparation program. This is a
129.25 onetime appropriation.
- 129.26 (q) \$500,000 the first year is for a grant
129.27 to Northern Bedrock Historic Preservation
129.28 Corps for the pathway to the preservation
129.29 trades program for recruitment of corps
129.30 members, engagement of technical
129.31 specialists, development of a certificate
129.32 program, and skill development in historic
129.33 preservation for youth ages 18 to 25. This is
129.34 a onetime appropriation.

130.1 (r) \$500,000 the first year is for the "Getting
 130.2 to Work" grant program. This is a onetime
 130.3 appropriation and is available until expended.

130.4 **Subd. 4. General Support Services**

130.5	<u>Appropriations by Fund</u>		
130.6	<u>General</u>	<u>2,659,000</u>	<u>2,854,000</u>
130.7	<u>Workforce</u>		
130.8	<u>Development</u>	<u>9,000</u>	<u>17,000</u>

130.9 (a) \$150,000 each year is from the general
 130.10 fund for the cost-of-living study required
 130.11 under Minnesota Statutes, section 116J.013.

130.12 (b) \$1,300,000 each year is for operating the
 130.13 Olmstead Implementation Office. The base
 130.14 appropriation for the office is \$1,269,000 in
 130.15 fiscal year 2018 and \$1,269,000 in fiscal year
 130.16 2019.

130.17	<u>Subd. 5. Minnesota Trade Office</u>	<u>2,292,000</u>	<u>2,292,000</u>
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130.18 (a) \$300,000 each year is for the STEP grants
 130.19 in Minnesota Statutes, section 116J.979.

130.20 (b) \$180,000 each year is for the Invest
 130.21 Minnesota Marketing Initiative in Minnesota
 130.22 Statutes, section 116J.9781.

130.23 (c) \$270,000 each year is for the expansion
 130.24 of Minnesota Trade Offices under Minnesota
 130.25 Statutes, section 116J.978.

130.26 (d) \$50,000 each year is for the trade policy
 130.27 advisory group under Minnesota Statutes,
 130.28 section 116J.9661.

130.29 **Subd. 6. Vocational Rehabilitation**

130.30	<u>Appropriations by Fund</u>		
130.31	<u>General</u>	<u>23,803,000</u>	<u>22,053,000</u>
130.32	<u>Workforce</u>		
130.33	<u>Development</u>	<u>8,180,000</u>	<u>8,180,000</u>

- 131.1 (a) \$10,800,000 each year is from the general
131.2 fund for the state's vocational rehabilitation
131.3 program under Minnesota Statutes, chapter
131.4 268A.
- 131.5 (b) \$2,953,000 each year is from the general
131.6 fund for grants to centers for independent
131.7 living under Minnesota Statutes, section
131.8 268A.11.
- 131.9 (c) \$5,745,000 each year from the general
131.10 fund and \$7,580,000 each year from the
131.11 workforce development fund are for extended
131.12 employment services for persons with severe
131.13 disabilities under Minnesota Statutes, section
131.14 268A.15.
- 131.15 (d) \$2,555,000 each year is from the general
131.16 fund for grants to programs that provide
131.17 employment support services to persons with
131.18 mental illness under Minnesota Statutes,
131.19 sections 268A.13 and 268A.14.
- 131.20 (e) \$600,000 each year is from the
131.21 workforce development fund for grants
131.22 under Minnesota Statutes, section 268A.16,
131.23 for employment services for persons,
131.24 including transition-aged youth, who are
131.25 deaf, deafblind, or hard-of-hearing.
- 131.26 (f) \$1,000,000 in fiscal year 2016 is for a
131.27 grant to a statewide nonprofit organization
131.28 that is exclusively dedicated to the issues
131.29 of access to and the acquisition of assistive
131.30 technology. The purpose of the grant is
131.31 to acquire assistive technology and to
131.32 work in tandem with individuals using this
131.33 technology to create career paths. This is a
131.34 onetime appropriation.

132.1 (g) \$750,000 the first year is for grants to
 132.2 day training and habilitation providers to
 132.3 provide innovative employment options
 132.4 and to advance community integration for
 132.5 persons with disabilities as required under
 132.6 the Minnesota Olmstead Plan. Of this
 132.7 amount, \$250,000 is for a pilot program
 132.8 for home-based, technology-enhanced
 132.9 monitoring of persons with disabilities.

132.10 Unexpended funds for fiscal year 2016 do
 132.11 not cancel but are available in fiscal year
 132.12 2017. This is a onetime appropriation.

132.13 (h) For purposes of this subdivision,
 132.14 Minnesota Diversified Industries, Inc. is an
 132.15 eligible provider of services for persons with
 132.16 severe disabilities under Minnesota Statutes,
 132.17 section 268A.15.

132.18	<u>Subd. 7. Services for the Blind</u>	<u>5,925,000</u>	<u>5,925,000</u>
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132.19	<u>Subd. 8. Broadband Development</u>	<u>17,750,000</u>	<u>250,000</u>
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132.20 (a) \$250,000 each year is for the Broadband
 132.21 Development Office.

132.22 (b)(1) \$17,000,000 in fiscal year 2016 is for
 132.23 deposit in the border-to-border broadband
 132.24 fund account created under Minnesota
 132.25 Statutes, section 116J.396, and may be used
 132.26 for the purposes provided in Minnesota
 132.27 Statutes, section 116J.395. This is a onetime
 132.28 appropriation and is available until June 30,
 132.29 2017.

132.30 (2) Of the appropriation in clause (1), up
 132.31 to three percent of this amount is for costs
 132.32 incurred by the commissioner to administer
 132.33 Minnesota Statutes, section 116J.395.
 132.34 Administrative costs may include the
 132.35 following activities related to measuring

133.1 progress toward the state's broadband goals
133.2 established in Minnesota Statutes, section
133.3 237.012:
133.4 (i) collecting broadband deployment data
133.5 from Minnesota providers, verifying its
133.6 accuracy through on-the-ground testing, and
133.7 creating state and county maps available
133.8 to the public showing the availability of
133.9 broadband service at various upload and
133.10 download speeds throughout Minnesota;
133.11 (ii) analyzing the deployment data collected
133.12 to help inform future investments in
133.13 broadband infrastructure; and
133.14 (iii) conducting business and residential
133.15 surveys that measure broadband adoption
133.16 and use in the state.
133.17 (3) Data provided by a broadband provider
133.18 under this paragraph is nonpublic data
133.19 under Minnesota Statutes, section 13.02,
133.20 subdivision 9. Maps produced under this
133.21 paragraph are public data under Minnesota
133.22 Statutes, section 13.03.
133.23 Subd. 9. **Transfer.**
133.24 The commissioner shall transfer \$8,000,000
133.25 from the Minnesota minerals 21st century
133.26 fund to the commissioner of the Iron Range
133.27 Resources and Rehabilitation Board for
133.28 a grant or forgivable loan to construct a
133.29 biochemical facility that uses cellulosic
133.30 feedstock to produce chemical products. The
133.31 amount available under this subdivision shall
133.32 be matched by money designated by the Iron
133.33 Range Resources and Rehabilitation Board
133.34 and is available until expended.

134.1 Sec. 3. HOUSING FINANCE AGENCY

134.2 Subdivision 1. Total Appropriation \$ 62,258,000 \$ 52,258,000

134.3 The amounts that may be spent for each
134.4 purpose are specified in the following
134.5 subdivisions.

134.6 Unless otherwise specified, this appropriation
134.7 is for transfer to the housing development
134.8 fund for the programs specified in this
134.9 section. Except as otherwise indicated, this
134.10 transfer is part of the agency's permanent
134.11 budget base.

134.12 Subd. 2. Challenge Program 21,425,000 13,425,000

134.13 (a) This appropriation is for the economic
134.14 development and housing challenge program
134.15 under Minnesota Statutes, section 462A.33.

134.16 The agency must continue to strengthen its
134.17 efforts to address the disparity rate between
134.18 white households and indigenous American
134.19 Indians and communities of color. Of this
134.20 amount, \$1,208,000 each year shall be made
134.21 available during the first 11 months of the
134.22 fiscal year exclusively for housing projects
134.23 for indigenous American Indians. Any
134.24 funds not committed to housing projects for
134.25 indigenous American Indians in the first 11
134.26 months of the fiscal year shall be available
134.27 for any eligible activity under Minnesota
134.28 Statutes, section 462A.33.

134.29 (b)(1) \$8,000,000 the first year is a onetime
134.30 appropriation and is targeted for housing in
134.31 communities and regions that have:

- 134.32 (i) low housing vacancy rates;
- 134.33 (ii) cooperatively developed a plan that
- 134.34 identifies current and future housing needs;

135.1 (iii) evidence of anticipated job expansion; or
 135.2 (iv) a significant portion of area employees
 135.3 who commute more than 30 miles between
 135.4 their residence and their employment.

135.5 (2) Among comparable housing proposals,
 135.6 preference must be given to proposals that:

135.7 (i) include a meaningful contribution from
 135.8 area employers that reduces the need for
 135.9 deferred loan or grant funds from state
 135.10 resources; or

135.11 (ii) provide housing opportunities for an
 135.12 expanded range of household incomes
 135.13 within a community or that provide housing
 135.14 opportunities for a wide range of incomes
 135.15 within the development.

135.16 Subd. 3. **Housing Trust Fund** 13,646,000 11,646,000

135.17 (a) This appropriation is for deposit in the
 135.18 housing trust fund account created under
 135.19 Minnesota Statutes, section 462A.201, and
 135.20 may be used for the purposes provided in
 135.21 that section. To the extent that these funds
 135.22 are used for the acquisition of housing, the
 135.23 agency shall give priority among comparable
 135.24 projects to projects that focus on creating
 135.25 safe and stable housing for homeless youth
 135.26 or projects that provide housing to trafficked
 135.27 women and children.

135.28 (b) \$2,000,000 the first year is a onetime
 135.29 appropriation for temporary rental assistance
 135.30 for families with school-age children who
 135.31 have changed their school or home at least
 135.32 once in the last school year. The agency,
 135.33 in consultation with the Department of

136.1	<u>Education, may establish additional targeting</u>		
136.2	<u>criteria.</u>		
136.3	<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>4,088,000</u>	<u>4,088,000</u>
136.4	<u>This appropriation is for the rental housing</u>		
136.5	<u>assistance program for persons with a mental</u>		
136.6	<u>illness or families with an adult member with</u>		
136.7	<u>a mental illness under Minnesota Statutes,</u>		
136.8	<u>section 462A.2097. Among comparable</u>		
136.9	<u>proposals, the agency shall prioritize those</u>		
136.10	<u>proposals that target, in part, eligible persons</u>		
136.11	<u>who desire to move to more integrated,</u>		
136.12	<u>community-based settings.</u>		
136.13	<u>Subd. 5. Family Homeless Prevention</u>	<u>9,269,000</u>	<u>9,269,000</u>
136.14	<u>This appropriation is for the family homeless</u>		
136.15	<u>prevention and assistance programs under</u>		
136.16	<u>Minnesota Statutes, section 462A.204.</u>		
136.17	<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>885,000</u>	<u>885,000</u>
136.18	<u>This appropriation is for the home ownership</u>		
136.19	<u>assistance program under Minnesota</u>		
136.20	<u>Statutes, section 462A.21, subdivision 8.</u>		
136.21	<u>The agency shall continue to strengthen</u>		
136.22	<u>its efforts to address the disparity gap in</u>		
136.23	<u>the homeownership rate between white</u>		
136.24	<u>households and indigenous American Indians</u>		
136.25	<u>and communities of color.</u>		
136.26	<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>4,218,000</u>	<u>4,218,000</u>
136.27	<u>(a) This appropriation is for the affordable</u>		
136.28	<u>rental investment fund program under</u>		
136.29	<u>Minnesota Statutes, section 462A.21,</u>		
136.30	<u>subdivision 8b, to finance the acquisition,</u>		
136.31	<u>rehabilitation, and debt restructuring of</u>		
136.32	<u>federally assisted rental property and</u>		
136.33	<u>for making equity take-out loans under</u>		

137.1 Minnesota Statutes, section 462A.05,
137.2 subdivision 39.

137.3 (b) The owner of federally assisted rental
137.4 property must agree to participate in the
137.5 applicable federally assisted housing program
137.6 and to extend any existing low-income
137.7 affordability restrictions on the housing for
137.8 the maximum term permitted. The owner
137.9 must also enter into an agreement that gives
137.10 local units of government, housing and
137.11 redevelopment authorities, and nonprofit
137.12 housing organizations the right of first refusal
137.13 if the rental property is offered for sale.

137.14 Priority must be given among comparable
137.15 federally assisted rental properties to
137.16 properties with the longest remaining term
137.17 under an agreement for federal assistance.

137.18 Priority must also be given among
137.19 comparable rental housing developments
137.20 to developments that are or will be owned
137.21 by local government units, a housing and
137.22 redevelopment authority, or a nonprofit
137.23 housing organization. Among comparable
137.24 rental housing proposals, priority may be
137.25 given to proposals that contain identified
137.26 goals relating to the housing element of
137.27 a cooperatively developed plan that are
137.28 consistent with the mission of the agency.

137.29 (c) The appropriation also may be used to
137.30 finance the acquisition, rehabilitation, and
137.31 debt restructuring of existing supportive
137.32 housing properties. For purposes of this
137.33 paragraph, "supportive housing" means
137.34 affordable rental housing with links to
137.35 services necessary for individuals, youth, and

138.1	<u>families with children to maintain housing</u>		
138.2	<u>stability.</u>		
138.3	<u>Subd. 8. Housing Rehabilitation</u>	<u>6,765,000</u>	<u>6,765,000</u>
138.4	<u>This appropriation is for the housing</u>		
138.5	<u>rehabilitation program under Minnesota</u>		
138.6	<u>Statutes, section 462A.05, subdivision 14. Of</u>		
138.7	<u>this amount, \$3,022,000 each year is for the</u>		
138.8	<u>rehabilitation of owner-occupied housing and</u>		
138.9	<u>\$3,743,000 each year is for the rehabilitation</u>		
138.10	<u>of eligible rental housing. In administering a</u>		
138.11	<u>rehabilitation program for rental housing, the</u>		
138.12	<u>agency may apply the processes and priorities</u>		
138.13	<u>adopted for administration of the economic</u>		
138.14	<u>development and housing challenge program</u>		
138.15	<u>under Minnesota Statutes, section 462A.33.</u>		
138.16	<u>Subd. 9. Homeownership Education,</u>		
138.17	<u>Counseling, and Training</u>	<u>857,000</u>	<u>857,000</u>
138.18	<u>This appropriation is for the homeownership</u>		
138.19	<u>education, counseling, and training program</u>		
138.20	<u>under Minnesota Statutes, section 462A.209.</u>		
138.21	<u>Priority may be given to funding programs</u>		
138.22	<u>that are aimed at culturally specific groups</u>		
138.23	<u>who are providing services to members of</u>		
138.24	<u>their communities.</u>		
138.25	<u>Subd. 10. Capacity Building Grants</u>	<u>770,000</u>	<u>770,000</u>
138.26	<u>(a) This appropriation is for nonprofit</u>		
138.27	<u>capacity building grants under Minnesota</u>		
138.28	<u>Statutes, section 462A.21, subdivision 3b.</u>		
138.29	<u>Of this amount, \$250,000 each year is</u>		
138.30	<u>for support of the Homeless Management</u>		
138.31	<u>Information System (HMIS).</u>		
138.32	<u>(b) \$250,000 each year is for competitive</u>		
138.33	<u>grants to community organizations to provide</u>		
138.34	<u>long-term financial education training, case</u>		
138.35	<u>management, credit mending, homebuyer</u>		

139.1 education, and foreclosure prevention
 139.2 mitigation services according to Laws 2014,
 139.3 chapter 188, section 4, paragraph (c).
 139.4 (c) \$85,000 each year is for a grant to Open
 139.5 Access Connection to provide free voice mail
 139.6 services for homeless and low-income people
 139.7 throughout Minnesota so that they have a
 139.8 reliable and consistent communication tool
 139.9 to aid in their search for affordable housing
 139.10 and to help those individuals find and keep
 139.11 jobs that will allow them to maintain their
 139.12 housing. In addition to programs already
 139.13 available in greater Minnesota, \$15,000 each
 139.14 year must be used to increase use of and
 139.15 access to community voice mail in the areas
 139.16 outside the seven-county metropolitan area.
 139.17 This is a onetime appropriation.

139.18 **Sec. 4. EXPLORE MINNESOTA TOURISM \$ 14,053,000 \$ 14,118,000**

139.19 To develop maximum private sector
 139.20 involvement in tourism, \$500,000 in fiscal
 139.21 year 2016 and \$500,000 in fiscal year 2017
 139.22 must be matched by Explore Minnesota
 139.23 Tourism from nonstate sources. Each \$1 of
 139.24 state incentive must be matched with \$6 of
 139.25 private sector funding. Cash match is defined
 139.26 as revenue to the state or documented cash
 139.27 expenditures directly expended to support
 139.28 Explore Minnesota Tourism programs. Up
 139.29 to one-half of the private sector contribution
 139.30 may be in-kind or soft match. The incentive
 139.31 in fiscal year 2016 shall be based on fiscal
 139.32 year 2015 private sector contributions. The
 139.33 incentive in fiscal year 2017 shall be based on
 139.34 fiscal year 2016 private sector contributions.
 139.35 This incentive is ongoing.

140.1 Funding for the marketing grants is available
 140.2 either year of the biennium. Unexpended
 140.3 grant funds from the first year are available
 140.4 in the second year.
 140.5 \$100,000 each year is for a grant to the
 140.6 Northern Lights International Music Festival.
 140.7 \$200,000 in fiscal year 2016 is for a grant
 140.8 to Minnesota Golden Games for promotion
 140.9 and hosting activities related to the 2015
 140.10 National Senior Games to be held in venues
 140.11 throughout the Twin Cities metropolitan
 140.12 area. This is a onetime appropriation.

140.13 **Sec. 5. DEPARTMENT OF LABOR AND**
 140.14 **INDUSTRY**

140.15 **Subdivision 1. Total Appropriation** \$ 27,022,000 \$ 27,332,000

140.16	<u>Appropriations by Fund</u>		
140.17		<u>2016</u>	<u>2017</u>
140.18	<u>General</u>	<u>1,234,000</u>	<u>1,252,000</u>
140.19	<u>Workers'</u>		
140.20	<u>Compensation</u>	<u>24,145,000</u>	<u>24,423,000</u>
140.21	<u>Workforce</u>		
140.22	<u>Development</u>	<u>1,643,000</u>	<u>1,657,000</u>

140.23 The amounts that may be spent for each
 140.24 purpose are specified in the following
 140.25 subdivisions.

140.26 **Subd. 2. Workers' Compensation** 13,952,000 14,230,000

140.27 (a) This appropriation is from the workers'
 140.28 compensation fund.

140.29 (b)(1) \$3,000,000 each year is for workers'
 140.30 compensation system upgrades. The base
 140.31 appropriation for fiscal year 2020 and beyond
 140.32 is zero.

140.33 (2) This appropriation includes funds for
 140.34 information technology project services
 140.35 and support subject to the provisions of

141.1 Minnesota Statutes, section 16E.0466.
 141.2 Any ongoing information technology costs
 141.3 must be incorporated into the service level
 141.4 agreement and will be paid to the Office
 141.5 of MN.IT Services by the commissioner
 141.6 of labor and industry under the rates and
 141.7 mechanisms specified in that agreement.

141.8 **Subd. 3. Labor Standards and Apprenticeship**

141.9	<u>Appropriations by Fund</u>		
141.10	<u>General</u>	<u>1,234,000</u>	<u>1,252,000</u>
141.11	<u>Workforce</u>		
141.12	<u>Development</u>	<u>1,643,000</u>	<u>1,657,000</u>

141.13 (a) \$834,000 in fiscal year 2016 and \$852,000
 141.14 in fiscal year 2017 are from the general fund
 141.15 for the labor standards and apprenticeship
 141.16 program.

141.17 (b) \$1,143,000 in fiscal year 2016 and
 141.18 \$1,157,000 in fiscal year 2017 are from
 141.19 the workforce development fund for the
 141.20 apprenticeship program under Minnesota
 141.21 Statutes, chapter 178. Of this amount,
 141.22 \$100,000 each year is for labor education and
 141.23 advancement program grants and to expand
 141.24 and promote registered apprenticeship
 141.25 training in nonconstruction trade programs.

141.26 (c) \$150,000 each year is from the workforce
 141.27 development fund for prevailing wage
 141.28 enforcement.

141.29 (d) \$100,000 each year is from the workforce
 141.30 development fund for grants to community
 141.31 organizations for the purpose of outreach and
 141.32 education for employees regarding employee
 141.33 rights under Minnesota Statutes, chapters
 141.34 177 and 181. The community organizations
 141.35 must be selected based on their experience,

142.1 capacity, and relationships in high-violation
 142.2 industries.
 142.3 (e) \$250,000 each year is from the workforce
 142.4 development fund for additional compliance
 142.5 and enforcement activities by the labor
 142.6 standards unit related to Minnesota Statutes,
 142.7 chapters 177 and 181.

142.8 (f) \$50,000 each year is from the general fund
 142.9 for annual reports to the legislature including,
 142.10 but not limited to, the following information:

142.11 (1) a list of all violations of the statutory
 142.12 sections listed in Minnesota Statutes, section
 142.13 177.27, subdivision 4, including the name
 142.14 of the employer involved, and the nature of
 142.15 any violations; and

142.16 (2) an analysis of noncompliance with
 142.17 the statutory sections listed in Minnesota
 142.18 Statutes, section 177.27, subdivision 4,
 142.19 including any patterns by employer, industry,
 142.20 or county.

142.21 Subd. 4. **Workplace Safety** 4,154,000 4,154,000

142.22 This appropriation is from the workers'
 142.23 compensation fund.

142.24 Subd. 5. **General Support** 6,039,000 6,039,000

142.25 This appropriation is from the workers'
 142.26 compensation fund.

142.27 Sec. 6. **BUREAU OF MEDIATION**
 142.28 **SERVICES** \$ 2,917,000 \$ 2,734,000

142.29 (a) \$68,000 each year is for grants to area
 142.30 labor management committees. Grants may
 142.31 be awarded for a 12-month period beginning
 142.32 July 1 each year. Any unencumbered balance

143.1 remaining at the end of the first year does not
 143.2 cancel but is available for the second year.
 143.3 (b) \$525,000 each year is for purposes of the
 143.4 Public Employment Relations Board under
 143.5 Minnesota Statutes, section 179A.041.
 143.6 (c) \$250,000 in fiscal year 2016 and
 143.7 \$100,000 in fiscal year 2017 are for the
 143.8 case management database IT project. This
 143.9 appropriation includes funds for information
 143.10 technology project services and support
 143.11 subject to the provisions of Minnesota
 143.12 Statutes, section 16E.0466. Any ongoing
 143.13 information technology costs must be
 143.14 incorporated into the service level agreement
 143.15 and must be paid to the Office of MN.IT
 143.16 Services by the commissioner of mediation
 143.17 services under the rates and mechanisms
 143.18 specified in that agreement.

143.19 (d) \$256,000 each year is for the Office
 143.20 of Collaboration and Dispute Resolution
 143.21 under Minnesota Statutes, section 179.90.
 143.22 Of this amount, \$160,000 each year is
 143.23 for grants under Minnesota Statutes,
 143.24 section 179.91, and \$96,000 each year is
 143.25 for intergovernmental and public policy
 143.26 collaboration and operation of the office.

143.27 **Sec. 7. WORKERS' COMPENSATION**
 143.28 **COURT OF APPEALS**

\$	<u>1,907,000</u>	\$	<u>1,913,000</u>
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143.29 This appropriation is from the workers'
 143.30 compensation fund.

143.31 **Sec. 8. DEPARTMENT OF COMMERCE**

143.32 **Subdivision 1. Total Appropriation**

\$	<u>35,182,000</u>	\$	<u>34,440,000</u>
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143.33	<u>Appropriations by Fund</u>	
143.34	<u>2016</u>	<u>2017</u>

144.1	<u>General</u>	<u>32,127,000</u>	<u>31,373,000</u>
144.2	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>
144.3	<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>
144.4	<u>Workers'</u>		
144.5	<u>Compensation</u>	<u>763,000</u>	<u>775,000</u>
144.6	<u>The amounts that may be spent for each</u>		
144.7	<u>purpose are specified in the following</u>		
144.8	<u>subdivisions.</u>		
144.9	<u>Subd. 2. Financial Institutions</u>	<u>4,885,000</u>	<u>4,885,000</u>
144.10	<u>Subd. 3. Petroleum Tank Release</u>		
144.11	<u>Compensation Board</u>	<u>1,052,000</u>	<u>1,052,000</u>
144.12	<u>This appropriation is from the petroleum</u>		
144.13	<u>tank fund.</u>		
144.14	<u>Subd. 4. Administrative Services</u>	<u>7,098,000</u>	<u>7,353,000</u>
144.15	<u>(a) \$375,000 each year is for additional</u>		
144.16	<u>compliance efforts with unclaimed property.</u>		
144.17	<u>The commissioner may issue contracts for</u>		
144.18	<u>these services.</u>		
144.19	<u>(b) \$100,000 each year is for the support of</u>		
144.20	<u>broadband development.</u>		
144.21	<u>(c) \$130,000 the first year is for rulemaking</u>		
144.22	<u>costs associated with MNvest registration</u>		
144.23	<u>exemptions under Minnesota Statutes, section</u>		
144.24	<u>80A.461. This is a onetime appropriation.</u>		
144.25	<u>Subd. 5. Telecommunications</u>		
144.26	<u>Appropriations by Fund</u>		
144.27	<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
144.28	<u>Special Revenue</u>	<u>1,240,000</u>	<u>1,240,000</u>
144.29	<u>\$1,240,000 each year is from the</u>		
144.30	<u>telecommunication access fund for the</u>		
144.31	<u>following transfers. This appropriation is</u>		
144.32	<u>added to the department's base.</u>		
144.33	<u>(1) \$800,000 each year is to the commissioner</u>		
144.34	<u>of human services to supplement the ongoing</u>		

145.1 operational expenses of the Commission
 145.2 of Deaf, DeafBlind, and Hard-of-Hearing
 145.3 Minnesotans;

145.4 (2) \$290,000 each year is to the chief
 145.5 information officer for the purpose of
 145.6 coordinating technology accessibility and
 145.7 usability;

145.8 (3) \$100,000 each year is to the Legislative
 145.9 Coordinating Commission for captioning of
 145.10 legislative coverage; and

145.11 (4) \$50,000 each year is to the Office of
 145.12 MN.IT Services for a consolidated access
 145.13 fund to provide grants to other state agencies
 145.14 related to accessibility of their Web-based
 145.15 services.

145.16 Subd. 6. Enforcement

145.17		<u>Appropriations by Fund</u>	
145.18	<u>General</u>	<u>5,707,000</u>	<u>5,707,000</u>
145.19	<u>Workers'</u>		
145.20	<u>Compensation</u>	<u>201,000</u>	<u>204,000</u>

145.21 \$279,000 each year is from the general fund
 145.22 for health care enforcement.

145.23	<u>Subd. 7. Energy Resources</u>	<u>4,424,000</u>	<u>3,415,000</u>
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145.24 (a) \$150,000 each year is for grants to
 145.25 providers of low-income weatherization
 145.26 services to install renewable energy
 145.27 equipment in households that are eligible for
 145.28 weatherization assistance under Minnesota's
 145.29 weatherization assistance program state
 145.30 plan as provided for in Minnesota Statutes,
 145.31 section 239.101.

145.32 (b) \$1,000,000 in fiscal year 2016 is for
 145.33 the state's defense of the Next Generation

146.1 Energy Act in Laws 2007, chapter 136. This
 146.2 appropriation is onetime.
 146.3 (c) A Minnesota-based nonprofit with
 146.4 demonstrated expertise and capability
 146.5 in energy efficiency, energy technology
 146.6 research, and conservation improvement
 146.7 program delivery is eligible to apply for
 146.8 an applied research and development grant
 146.9 under Minnesota Statutes, section 216B.241,
 146.10 subdivision 1e, in order to establish and
 146.11 operate an energy technology business
 146.12 accelerator. The grant recipient must provide
 146.13 a 25 percent match for any grant amounts
 146.14 received with cash or in-kind contributions.

146.15 Subd. 8. Insurance

146.16	<u>Appropriations by Fund</u>		
146.17	<u>General</u>	<u>4,004,000</u>	<u>4,004,000</u>
146.18	<u>Workers'</u>		
146.19	<u>Compensation</u>	<u>562,000</u>	<u>571,000</u>

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

146.22 (b) Of the amount appropriated from the
 146.23 special revenue fund under Minnesota
 146.24 Statutes, section 65B.84, subdivision 1,
 146.25 paragraph (b), \$100,000 is for investigation
 146.26 of insurance company handling of motor
 146.27 vehicle collision repair claims.

146.28 Subd. 9. Propane prepurchase. 5,000,000 5,000,000

146.29 \$5,000,000 each year is for the propane
 146.30 prepurchase program under Minnesota
 146.31 Statutes, section 216B.0951. This is a
 146.32 onetime appropriation.

146.33 Sec. 9. PUBLIC UTILITIES COMMISSION \$ 6,966,000 \$ 6,930,000

147.1 Sec. 10. **TRANSFERS.**

147.2 (a) Of the amount deposited into the contingent account created under Minnesota
 147.3 Statutes, section 268.199, \$3,500,000 in fiscal year 2016 and \$3,500,000 in fiscal year
 147.4 2017 shall be transferred before the closing of each fiscal year to the general fund.

147.5 (b) Of the amount of surplus workforce development fund money reallocated
 147.6 under Minnesota Statutes, section 116L.05, subdivision 5, by the Minnesota Job Skills
 147.7 Partnership Board in fiscal year 2015, \$..... shall be canceled and credited back to the
 147.8 workforce development fund.

147.9 Sec. 11. **LEGAL FEES; ITASCA COUNTY.**

147.10 The commissioner of employment and economic development shall grant the
 147.11 unspent amount from the Minnesota minerals 21st century fund appropriation in Laws
 147.12 2007, chapter 135, article 1, section 3, subdivision 2, paragraph (y), to Itasca County for
 147.13 legal fees for recovering business subsidy funds according to Minnesota Statutes, section
 147.14 116J.994, and under the reimbursement agreement dated September 9, 2008.

147.15 **ARTICLE 6**147.16 **DEPARTMENT OF LABOR AND INDUSTRY**

147.17 Section 1. Minnesota Statutes 2014, section 326B.092, subdivision 7, is amended to
 147.18 read:

147.19 Subd. 7. **License fees and license renewal fees.** (a) The license fee for each
 147.20 license is the base license fee plus any applicable board fee, continuing education fee, and
 147.21 contractor recovery fund fee and additional assessment, as set forth in this subdivision.

147.22 (b) For purposes of this section, "license duration" means the number of years for
 147.23 which the license is issued except that:

147.24 (1) if the initial license is not issued for a whole number of years, the license duration
 147.25 shall be rounded up to the next whole number; and

147.26 (2) if the department receives an application for license renewal after the renewal
 147.27 deadline, license duration means the number of years for which the renewed license would
 147.28 have been issued if the renewal application had been submitted on time and all other
 147.29 requirements for renewal had been met.

147.30 (c) The base license fee shall depend on whether the license is classified as an entry
 147.31 level, master, journeyman, or business license, and on the license duration. The base
 147.32 license fee shall be:

148.1	License Classification	License Duration		
148.2		1 Year	2 Years	3 Years
148.3	Entry level	\$10	\$20	\$30
148.4	Journeyman			
148.5	<u>Journeyworker</u>	\$20	\$40	\$60
148.6	Master	\$40	\$80	\$120
148.7	Business	\$90	\$180	\$270

148.8 (d) If there is a continuing education requirement for renewal of the license, then
 148.9 a continuing education fee must be included in the renewal license fee. The continuing
 148.10 education fee for all license classifications shall be: \$10 if the renewal license duration
 148.11 is one year; and \$20 if the renewal license duration is two years; ~~and \$30 if the renewal~~
 148.12 ~~license duration is three years.~~

148.13 (e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to
 148.14 326B.93, then a board fee must be included in the license fee and the renewal license fee.
 148.15 The board fee for all license classifications shall be: \$4 if the license duration is one year;
 148.16 \$8 if the license duration is two years; ~~and \$12 if the license duration is three years.~~

148.17 (f) If the application is for the renewal of a license issued under sections 326B.802
 148.18 to 326B.885, then the contractor recovery fund fee required under section 326B.89,
 148.19 subdivision 3, and any additional assessment required under section 326B.89, subdivision
 148.20 16, must be included in the license renewal fee.

148.21 (g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period
 148.22 July 1, 2015, through June 30, 2017, the following fees apply:

148.23	<u>License Classification</u>	<u>License Duration</u>	
148.24		<u>1 year</u>	<u>2 years</u>
148.25	<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>
148.26	<u>Journeyworker</u>	<u>\$15</u>	<u>\$35</u>
148.27	<u>Master</u>	<u>\$30</u>	<u>\$75</u>
148.28	<u>Business</u>		<u>\$160</u>

148.29 If there is a continuing education requirement for renewal of the license, then a
 148.30 continuing education fee must be included in the renewal license fee. The continuing
 148.31 education fee for all license classifications shall be \$5.

148.32 Sec. 2. Minnesota Statutes 2014, section 326B.096, is amended to read:

148.33 **326B.096 REINSTATEMENT OF LICENSES.**

148.34 Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under
 148.35 this chapter and if an applicant for a license needs to pass an examination administered by

149.1 the commissioner before becoming licensed, then, in order to have the license reinstated,
149.2 the person who holds the revoked license must:

149.3 (1) retake the examination and achieve a passing score; and

149.4 (2) meet all other requirements for an initial license, including payment of the
149.5 application and examination fee and the license fee. The person holding the revoked
149.6 license is not eligible for Minnesota licensure without examination based on reciprocity.

149.7 (b) If a license is revoked under a chapter other than this chapter, then, in order to
149.8 have the license reinstated, the person who holds the revoked license must:

149.9 (1) apply for reinstatement to the commissioner no later than two years after the
149.10 effective date of the revocation;

149.11 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
149.12 fee; and

149.13 (3) meet all applicable requirements for licensure, except that, unless required by the
149.14 order revoking the license, the applicant does not need to retake any examination and does
149.15 not need to repay a license fee that was paid before the revocation.

149.16 **Subd. 2. Reinstatement after suspension.** If a license is suspended, then, in order
149.17 to have the license reinstated, the person who holds the suspended license must:

149.18 (1) apply for reinstatement to the commissioner no later than two years after the
149.19 completion of the suspension period;

149.20 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
149.21 fee; and

149.22 (3) meet all applicable requirements for licensure, except that, unless required by the
149.23 order suspending the license, the applicant does not need to retake any examination and
149.24 does not need to repay a license fee that was paid before the suspension.

149.25 **Subd. 3. Reinstatement after voluntary termination.** A licensee who is not an
149.26 individual may voluntarily terminate a license issued to the person under this chapter. If a
149.27 licensee has voluntarily terminated a license under this subdivision, then, in order to have
149.28 the license reinstated, the person who holds the terminated license must:

149.29 (1) apply for reinstatement to the commissioner no later than the date that the license
149.30 would have expired if it had not been terminated;

149.31 (2) pay a ~~\$100~~ \$50 reinstatement application fee and any applicable renewal license
149.32 fee; and

149.33 (3) meet all applicable requirements for licensure, except that the applicant does not
149.34 need to repay a license fee that was paid before the termination.

149.35 **EFFECTIVE DATE.** The amendments to this section are effective July 1, 2015,
149.36 and expire July 1, 2017.

150.1 Sec. 3. Minnesota Statutes 2014, section 326B.106, subdivision 1, is amended to read:

150.2 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and
150.3 sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation
150.4 with the Construction Codes Advisory Council establish a code of standards for the
150.5 construction, reconstruction, alteration, and repair of buildings, governing matters of
150.6 structural materials, design and construction, fire protection, health, sanitation, and safety,
150.7 including design and construction standards regarding heat loss control, illumination,
150.8 and climate control. The code must also include duties and responsibilities for code
150.9 administration, including procedures for administrative action, penalties, and suspension
150.10 and revocation of certification. The code must conform insofar as practicable to model
150.11 building codes generally accepted and in use throughout the United States, including a
150.12 code for building conservation. In the preparation of the code, consideration must be
150.13 given to the existing statewide specialty codes presently in use in the state. Model codes
150.14 with necessary modifications and statewide specialty codes may be adopted by reference.
150.15 The code must be based on the application of scientific principles, approved tests, and
150.16 professional judgment. To the extent possible, the code must be adopted in terms of
150.17 desired results instead of the means of achieving those results, avoiding wherever possible
150.18 the incorporation of specifications of particular methods or materials. To that end the code
150.19 must encourage the use of new methods and new materials. Except as otherwise provided
150.20 in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the
150.21 provisions of those sections.

150.22 (b) The commissioner shall develop rules addressing the plan review fee assessed
150.23 to similar buildings without significant modifications including provisions for use of
150.24 building systems as specified in the industrial/modular program specified in section
150.25 326B.194. Additional plan review fees associated with similar plans must be based on
150.26 costs commensurate with the direct and indirect costs of the service.

150.27 (c) Beginning with the 2018 edition of the model building codes and every six
150.28 years thereafter, the commissioner shall review the new model building codes and adopt
150.29 the model codes as amended for use in Minnesota, within two years of the published
150.30 edition date. The commissioner may adopt amendments to the building codes prior to the
150.31 adoption of the new building codes to advance construction methods, technology, or
150.32 materials, or, where necessary to protect the health, safety, and welfare of the public, or to
150.33 improve the efficiency or the use of a building.

150.34 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
150.35 residential energy code and the new model commercial energy code in accordance with
150.36 federal law for which the United States Department of Energy has issued an affirmative

151.1 determination in compliance with United States Code, title 42, section 6833. The
151.2 commissioner may adopt amendments prior to adoption of the new energy codes, as
151.3 amended for use in Minnesota, to advance construction methods, technology, or materials,
151.4 or, where necessary to protect the health, safety, and welfare of the public, or to improve
151.5 the efficiency or use of a building.

151.6 **EFFECTIVE DATE.** This section is effective August 1, 2015, and applies to all
151.7 model code adoptions beginning with the 2018 model building code.

151.8 Sec. 4. Minnesota Statutes 2014, section 326B.106, is amended by adding a
151.9 subdivision to read:

151.10 Subd. 1a. **Copies of the code.** The commissioner shall provide copies of the code
151.11 to the public without charge, including the amended model codes adopted by reference.
151.12 The commissioner shall calculate the cost to the department for providing copies of the
151.13 code to the public without charge.

151.14 Sec. 5. Minnesota Statutes 2014, section 326B.13, subdivision 8, is amended to read:

151.15 Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is
151.16 effective ~~180~~ 270 days after publication of the rule's notice of adoption in the State Register.
151.17 The rule may provide for a later effective date. The rule may provide for an earlier effective
151.18 date if the commissioner or board proposing the rule finds that an earlier effective date is
151.19 necessary to protect public health and safety after considering, among other things, the need
151.20 for time for training of individuals to comply with and enforce the rule. The commissioner
151.21 must publish an electronic version of the entire adopted rule chapter on the department's
151.22 Web site within ten days of receipt from the revisor of statutes. The commissioner shall
151.23 clearly indicate the effective date of the rule on the department's Web site.

151.24 Sec. 6. Minnesota Statutes 2014, section 326B.986, subdivision 5, is amended to read:

151.25 Subd. 5. **Boiler engineer license fees.** (a) For purposes of calculating license fees
151.26 and renewal license fees required under section 326B.092:

151.27 (1) the boiler special engineer license is an entry level license;

151.28 (2) the following licenses are journeyman licenses: first class engineer, Grade A;
151.29 first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade
151.30 A; second class engineer, Grade B; second class engineer, Grade C; and provisional
151.31 license; and

152.1 (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler
 152.2 chief engineer, Grade B; boiler chief engineer, Grade C; boiler commissioner inspector
 152.3 certificate of competency; and traction or hobby boiler engineer.

152.4 (b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license
 152.5 duration for steam traction and hobby engineer licenses are one year only for the purpose
 152.6 of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

152.7 Sec. 7. Minnesota Statutes 2014, section 326B.986, subdivision 8, is amended to read:

152.8 Subd. 8. **Certificate of competency.** ~~The fee for issuance of the original certificate~~
 152.9 ~~of competency is \$85 for inspectors who did not pay the national board examination fee~~
 152.10 ~~specified in subdivision 6, or \$35 for inspectors who paid that examination fee.~~ (a) Each
 152.11 applicant for a certificate of competency must complete an interview with the chief boiler
 152.12 inspector before issuance of the certificate of competency.

152.13 (b) All initial certificates of competency shall be effective for more than one calendar
 152.14 year and shall expire on December 31 of the year after the year in which the application
 152.15 is made. ~~The commissioner shall in a manner determined by the commissioner, without~~
 152.16 ~~the need for any rulemaking under chapter 14, phase in the renewal of certificates of~~
 152.17 ~~competency from one calendar year to two calendar years. By June 30, 2011,~~

152.18 (c) All renewed certificates of competency shall be valid for two calendar years. The
 152.19 fee for renewal of the state of Minnesota certificate of competency is \$35 for one year or
 152.20 \$70 for two years, and is due the day after the certificate expires.

152.21 **EFFECTIVE DATE.** The amendments to paragraphs (a) and (c) are effective July
 152.22 1, 2015, and expire July 1, 2017.

152.23 Sec. 8. Minnesota Statutes 2014, section 341.321, is amended to read:

152.24 **341.321 FEE SCHEDULE.**

152.25 (a) The fee schedule for professional and amateur licenses issued by the
 152.26 commissioner is as follows:

152.27 (1) referees, \$80 ~~for each initial license and each renewal~~;

152.28 (2) promoters, \$700 ~~for each initial license and each renewal~~;

152.29 (3) judges and knockdown judges, \$80 ~~for each initial license and each renewal~~;

152.30 (4) trainers and seconds, \$80 ~~for each initial license and each renewal~~;

152.31 (5) ring announcers, \$80 ~~for each initial license and each renewal~~;

152.32 (6) seconds, \$80 ~~for each initial license and each renewal~~;

152.33 (7) (6) timekeepers, \$80 ~~for each initial license and each renewal~~;

- 153.1 ~~(8) (7) professional combatants, \$100 for each initial license and each renewal \$70;~~
 153.2 ~~(8) amateur combatants, \$50;~~
 153.3 ~~(9) managers, \$80 for each initial license and each renewal; and~~
 153.4 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

153.5 In addition to the license fee ~~and the late filing penalty fee in section 341.32, subdivision~~
 153.6 ~~2, if applicable, an individual who applies for a professional license on the same day~~
 153.7 ~~within the 48 hours preceding when the combative sporting event is held shall pay a late~~
 153.8 ~~fee of \$100 plus the original license fee of \$120 at the time the application is submitted.~~

153.9 (b) ~~The fee schedule for amateur licenses issued by the commissioner is as follows:~~

- 153.10 ~~(1) referees, \$80 for each initial license and each renewal;~~
 153.11 ~~(2) promoters, \$700 for each initial license and each renewal;~~
 153.12 ~~(3) judges and knockdown judges, \$80 for each initial license and each renewal;~~
 153.13 ~~(4) trainers, \$80 for each initial license and each renewal;~~
 153.14 ~~(5) ring announcers, \$80 for each initial license and each renewal;~~
 153.15 ~~(6) seconds, \$80 for each initial license and each renewal;~~
 153.16 ~~(7) timekeepers, \$80 for each initial license and each renewal;~~
 153.17 ~~(8) combatant, \$60 for each initial license and each renewal;~~
 153.18 ~~(9) managers, \$80 for each initial license and each renewal; and~~
 153.19 ~~(10) ringside physicians, \$80 for each initial license and each renewal.~~

153.20 (e) ~~(b)~~ The commissioner shall establish a contest fee for each combative sport
 153.21 ~~contest and shall consider the size and type of venue when establishing a contest fee.~~ The
 153.22 professional combative sport contest fee is \$1,500 per event or not more than four percent
 153.23 of the gross ticket sales, whichever is greater, as determined by the commissioner when
 153.24 the combative sport contest is scheduled. The amateur combative sport contest fee shall
 153.25 be \$1,500 or not more than four percent of the gross ticket sales, whichever is greater.
 153.26 ~~The commissioner shall consider the size and type of venue when establishing a contest~~
 153.27 ~~fee. The commissioner may establish the maximum number of complimentary tickets~~
 153.28 ~~allowed for each event by rule.~~

153.29 (c) ~~A professional or amateur combative sport contest fee is nonrefundable; and~~
 153.30 ~~shall be paid as follows:~~

- 153.31 ~~(1) \$500 at the time the combative sport contest is scheduled; and~~
 153.32 ~~(2) \$1,000 at the weigh-in prior to the contest.~~

153.33 ~~If four percent of the gross ticket sales is greater than \$1,500, the balance is due to the~~
 153.34 ~~commissioner within 24 hours of the completed contest.~~

153.35 (d) ~~The commissioner may establish the maximum number of complimentary tickets~~
 153.36 ~~allowed for each event by rule.~~

154.1 ~~(d)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
154.2 commissioner account in the special revenue fund.

154.3 **ARTICLE 7**

154.4 **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

154.5 Section 1. Minnesota Statutes 2014, section 116J.394, is amended to read:

154.6 **116J.394 DEFINITIONS.**

154.7 (a) For the purposes of sections 116J.394 to 116J.396, the following terms have
154.8 the meanings given them.

154.9 (b) "Broadband" or "broadband service" has the meaning given in section 116J.39,
154.10 subdivision 1, paragraph (b).

154.11 (c) "Broadband infrastructure" means networks of deployed telecommunications
154.12 equipment and technologies necessary to provide high-speed Internet access and other
154.13 advanced telecommunications services for end users.

154.14 (d) "Commissioner" means the commissioner of employment and economic
154.15 development.

154.16 (e) "Last-mile infrastructure" means broadband infrastructure that serves as the
154.17 final leg connecting the broadband service provider's network to the end-use customer's
154.18 on-premises telecommunications equipment.

154.19 (f) "Middle-mile infrastructure" means broadband infrastructure that links a
154.20 broadband service provider's core network infrastructure to last-mile infrastructure.

154.21 (g) "Political subdivision" means any county, city, town, school district, special
154.22 district or other political subdivision, or public corporation.

154.23 (h) "Underserved areas" means areas of Minnesota in which households or businesses
154.24 lack access to wire-line broadband service at speeds that meet the state broadband goals of
154.25 ten to 20 megabits per second download and five to ten megabits per second upload.

154.26 (i) "Unserved areas" means areas of Minnesota in which households or businesses
154.27 lack access to wire-line broadband service ~~at speeds that meet a Federal Communications~~
154.28 ~~Commission threshold of four megabits per second download and one megabit per second~~
154.29 ~~upload~~, as defined in section 116J.39.

154.30 Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

154.31 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
154.32 commissioner shall give priority to applications that are constructed in areas identified by

155.1 the director of the Office of Broadband Development as unserved or in need of broadband
 155.2 service to retain or create jobs, or to promote significant economic growth.

155.3 (b) In evaluating applications and awarding grants, the commissioner may give
 155.4 priority to applications that:

155.5 (1) are constructed in areas identified by the director of the Office of Broadband
 155.6 Development as underserved;

155.7 (2) offer new or substantially upgraded broadband service to important community
 155.8 institutions including, but not limited to, libraries, educational institutions, public safety
 155.9 facilities, and healthcare facilities;

155.10 (3) facilitate the use of telemedicine and electronic health records;

155.11 (4) serve economically distressed areas of the state, as measured by indices of
 155.12 unemployment, poverty, or population loss that are significantly greater than the statewide
 155.13 average;

155.14 (5) provide technical support and train residents, businesses, and institutions in the
 155.15 community served by the project to utilize broadband service;

155.16 (6) include a component to actively promote the adoption of the newly available
 155.17 broadband services in the community;

155.18 (7) provide evidence of strong support for the project from citizens, government,
 155.19 businesses, and institutions in the community;

155.20 (8) provide access to broadband service to a greater number of unserved or
 155.21 underserved households and businesses; or

155.22 (9) leverage greater amounts of funding for the project from other private and
 155.23 public sources.

155.24 (c) The commissioner shall endeavor to award grants under this section to qualified
 155.25 applicants in all regions of the state.

155.26 Sec. 3. **[116J.549] WORKFORCE HOUSING GRANTS PROGRAM.**

155.27 Subdivision 1. **Establishment.** A workforce housing grants program is established
 155.28 to award grants to qualified cities to be used for qualified expenditures related to the
 155.29 construction of or financing for market rate residential rental properties, and includes new
 155.30 modular homes or new manufactured homes, or new manufactured homes on leased land
 155.31 or in a manufactured home park.

155.32 Subd. 2. **Definitions.** For purposes of this section:

155.33 (1) "commissioner" means the commissioner of employment and economic
 155.34 development;

155.35 (2) "local unit of government" means a home rule charter or statutory city or county;

156.1 (3) "qualified city" means a home rule charter or statutory city located outside the
156.2 metropolitan area or an area served by a joint county-city economic development agency;

156.3 (4) "qualified expenditure" means expenditures for the acquisition of property,
156.4 construction of improvements, provisions of loans or subsidies, grants, interest rate
156.5 subsidies, public infrastructure, and related financing costs for market rate residential
156.6 rental properties;

156.7 (5) "market rate residential rental properties" means properties that are rented at
156.8 market value and excludes: (i) properties constructed with financial assistance requiring
156.9 the property to be occupied by residents that meet income limits under federal or state
156.10 law of initial occupancy; and (ii) properties constructed with federal, state, or local flood
156.11 recovery assistance, regardless of whether that assistance imposed income limits as a
156.12 condition of receiving assistance;

156.13 (6) "metropolitan area" means the seven-county metropolitan area as defined by
156.14 section 473.121, subdivision 2; and

156.15 (7) "joint county-city economic development authority" means an economic
156.16 development authority, formed under Laws 1988, chapter 516, section 1, as a joint
156.17 partnership between a city and county and excluding those established by the county only.

156.18 Subd. 3. **Application.** The commissioner shall develop forms and procedures
156.19 for soliciting and reviewing application for grants under this section. At a minimum, a
156.20 city must include in its application a resolution of its governing body certifying that the
156.21 matching amount as required under this section is available and committed.

156.22 Subd. 4. **Program requirements.** The commissioner must not award a grant to a
156.23 city under this section until the following determinations are made:

156.24 (1) the average vacancy rate for rental housing located in the city, and in any city
156.25 located within 25 miles or less of the boundaries of the city, has been three percent or less
156.26 for at least the immediately preceding two-year period;

156.27 (2) one or more businesses located in the city, or within 60 miles of the city, that
156.28 employ a minimum of 20 full-time equivalent employees in aggregate have provided
156.29 a written statement to the city indicating that the lack of available rental housing has
156.30 impeded their ability to recruit and hire employees;

156.31 (3) the city has a population exceeding 1,000;

156.32 (4) the city is located outside the metropolitan area; and

156.33 (5) the city certifies that the grants will be used for qualified expenditures for the
156.34 development of rental housing to serve employees of businesses located in the city
156.35 or surrounding area.

157.1 Subd. 5. **Allocation.** The amount of a grant may not exceed 25 percent of the
157.2 rental housing development project cost. The commissioner shall not award a grant to
157.3 a city without certification by the city that the amount of the grant shall be matched by
157.4 a local unit of government, business, or nonprofit organization with \$1 for every \$2
157.5 provided in grant funds.

157.6 Subd. 6. **Report.** Beginning January 15, 2016, the commissioner must annually
157.7 submit a report to the chairs and ranking minority members of the senate and house of
157.8 representatives committees having jurisdiction over taxes and workforce development
157.9 specifying the projects that received grants under this section and the specific purposes for
157.10 which the grant funds were used.

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

157.12 Sec. 4. Minnesota Statutes 2014, section 116J.8738, subdivision 3, is amended to read:

157.13 **Subd. 3. Certification of qualified business.** (a) A business may apply to
157.14 the commissioner for certification as a qualified business under this section. The
157.15 commissioner shall specify the form of the application, the manner and times for applying,
157.16 and the information required to be included in the application. The commissioner may
157.17 impose an application fee in an amount sufficient to defray the commissioner's cost of
157.18 processing certifications. Application fees are deposited in the greater Minnesota business
157.19 expansion administration account in the special revenue fund. A business must file a copy
157.20 of its application with the chief clerical officer of the city at the same time it applies to the
157.21 commissioner. For an agricultural processing facility located outside the boundaries of a
157.22 city, the business must file a copy of the application with the county auditor.

157.23 (b) The commissioner shall certify each business as a qualified business that:

157.24 (1) satisfies the requirements of subdivision 2;

157.25 (2) the commissioner determines would not expand its operations in greater
157.26 Minnesota without the tax incentives available under subdivision 4; and

157.27 (3) enters a business subsidy agreement with the commissioner that pledges to
157.28 satisfy the minimum expansion requirements of paragraph (c) within three years or less
157.29 following execution of the agreement.

157.30 The commissioner must act on an application within 90 days after its filing. Failure
157.31 by the commissioner to take action within the 90-day period is deemed approval of the
157.32 application.

157.33 (c) The business must increase the number of full-time equivalent employees
157.34 in greater Minnesota from the time the business subsidy agreement is executed by two
157.35 employees or ten percent, whichever is greater.

158.1 (d) The city, or a county for an agricultural processing facility located outside the
158.2 boundaries of a city, in which the business proposes to expand its operations may file
158.3 comments supporting or opposing the application with the commissioner. The comments
158.4 must be filed within 30 days after receipt by the city of the application and may include a
158.5 notice of any contribution the city or county intends to make to encourage or support the
158.6 business expansion, such as the use of tax increment financing, property tax abatement,
158.7 additional city or county services, or other financial assistance.

158.8 (e) Certification of a qualified business is effective for the seven-year period
158.9 beginning on the first day of the calendar month immediately following the date that the
158.10 commissioner informs the business of the award of the benefit.

158.11 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2014.

158.12 Sec. 5. Minnesota Statutes 2014, section 116J.8738, is amended by adding a
158.13 subdivision to read:

158.14 **Subd. 6. Funds.** Amounts in the greater Minnesota business expansion
158.15 administration account in the special revenue fund are appropriated to the commissioner of
158.16 employment and economic development for costs associated with processing applications
158.17 under subdivisions 3, 4, and 5, and for personnel and administrative expenses related to
158.18 administering the greater Minnesota business expansion program.

158.19 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2014.

158.20 Sec. 6. Minnesota Statutes 2014, section 116L.05, subdivision 5, is amended to read:

158.21 **Subd. 5. Use of workforce development funds.** After March 1 of any fiscal year,
158.22 the board ~~may use~~ shall make recommendations to the legislature for additional uses of
158.23 workforce development funds for the purposes outlined in sections 116L.02 and 116L.04,
158.24 ~~or to provide incumbent worker training services under section 116L.18~~ if the following
158.25 conditions have been met:

158.26 (1) the board examines relevant economic indicators, including the projected
158.27 number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of
158.28 declining and expanding industries, the number of initial applications for and the number
158.29 of exhaustions of unemployment benefits, job vacancy data, and any additional relevant
158.30 information brought to the board's attention;

158.31 (2) the board accounts for all allocations made in section 116L.17, subdivision 2;

159.1 (3) based on the past expenditures and projected revenue, the board estimates future
159.2 funding needs for services under section 116L.17 for the remainder of the current fiscal
159.3 year and the next fiscal year;

159.4 (4) the board determines there will be unspent funds after meeting the needs of
159.5 dislocated workers in the current fiscal year and there will be sufficient revenue to meet
159.6 the needs of dislocated workers in the next fiscal year; and

159.7 (5) the board reports its findings in clauses (1) to (4) to the chairs of legislative
159.8 committees with jurisdiction over the workforce development fund, to the commissioners
159.9 of revenue and management and budget, and to the public.

159.10 Sec. 7. Minnesota Statutes 2014, section 116L.17, subdivision 4, is amended to read:

159.11 Subd. 4. **Use of funds.** Funds granted by the board under this section may be used
159.12 for any combination of the following, except as otherwise provided in this section:

159.13 (1) employment transition services such as developing readjustment plans for
159.14 individuals; outreach and intake; early readjustment; job or career counseling; testing;
159.15 orientation; assessment of skills and aptitudes; provision of occupational and labor market
159.16 information; job placement assistance; job search; job development; prelayoff assistance;
159.17 relocation assistance; programs provided in cooperation with employers or labor
159.18 organizations to provide early intervention in the event of plant closings or substantial
159.19 layoffs; and entrepreneurial training and business consulting;

159.20 (2) support services, including assistance to help the participant relocate to employ
159.21 existing skills; out-of-area job search assistance; family care assistance, including child
159.22 care; commuting assistance; emergency housing and rental assistance; counseling
159.23 assistance, including personal and financial; health care; emergency health assistance;
159.24 emergency financial assistance; work-related tools and clothing; and other appropriate
159.25 support services that enable a person to participate in an employment and training program
159.26 with the goal of reemployment;

159.27 (3) specific, short-term training to help the participant enhance current skills
159.28 in a similar occupation or industry; entrepreneurial training, customized training, or
159.29 on-the-job training; basic and remedial education to enhance current skills; and literacy
159.30 and work-related English training for non-English speakers; ~~and~~

159.31 (4) long-term training in a new occupation or industry, including occupational skills
159.32 training or customized training in an accredited program recognized by one or more
159.33 relevant industries. Long-term training shall only be provided to dislocated workers whose
159.34 skills are obsolete and who have no other transferable skills likely to result in employment
159.35 at a comparable wage rate. Training shall only be provided for occupations or industries

160.1 with reasonable expectations of job availability based on the service provider's thorough
160.2 assessment of local labor market information where the individual currently resides or
160.3 is willing to relocate. This clause shall not restrict training in personal services or other
160.4 such industries; and

160.5 (5) direct training services to provide a measurable increase in the job-related
160.6 skills of participating incumbent workers, including basic assessment, counseling, and
160.7 preemployment training services requested by the qualifying employer.

160.8 **Sec. 8. [116L.667] RURAL CAREER COUNSELING COORDINATORS.**

160.9 Subdivision 1. Requirement. Each workforce service area located outside of the
160.10 metropolitan area, as defined in section 473.121, subdivision 2, except for a service area
160.11 that serves a single city outside of the metropolitan area, must have a career counseling
160.12 coordinator who is responsible for improving coordination and communication of
160.13 workforce development programs and services within the workforce service area, with
160.14 other workforce service areas and career counseling coordinators, and with administering
160.15 agencies. A career counseling coordinator may serve as the coordinator for up to two
160.16 service areas.

160.17 Subd. 2. Responsibilities. A career counseling coordinator is responsible for:

160.18 (1) understanding the needs of existing, new, and prospective service area businesses
160.19 in regard to workforce development programs, resources, and other services;

160.20 (2) connecting job seekers, secondary and higher education institutions, employers,
160.21 and other stakeholders and partners;

160.22 (3) providing services to job seekers including career counseling, training, and
160.23 work experience opportunities;

160.24 (4) assessing and compiling information about all workforce development programs
160.25 and services offered in the assigned workforce service area, including adult basic
160.26 education programs and programs and services at higher education institutions and
160.27 kindergarten through grade 12 schools;

160.28 (5) making recommendations to the commissioner regarding ways to improve
160.29 career counseling coordination, possible program changes, and new workforce programs
160.30 or initiatives;

160.31 (6) sharing best practices and collaborating with other career counseling coordinators
160.32 to promote and enable state-level coordination among workforce development programs
160.33 and administering agencies including, but not limited to, the Departments of Employment
160.34 and Economic Development, Education, and Labor and Industry, and the Office of Higher
160.35 Education; and

161.1 (7) promoting available workforce development and career counseling programs and
 161.2 resources in the workforce service area.

161.3 Subd. 3. **Reporting; consolidation.** The workforce council in each of the workforce
 161.4 service areas having a career counseling coordinator shall submit an annual report to
 161.5 the commissioner that includes, but is not limited to, a narrative of and the number of
 161.6 businesses, job seekers, and other stakeholders served by the career counseling coordinator
 161.7 function, an accounting of workforce development and career counseling programs
 161.8 and services offered in the assigned workforce service area, and any recommendations
 161.9 for changes to workforce development efforts in the workforce service area. Beginning
 161.10 January 15, 2016, and each year thereafter, the commissioner shall consolidate the reports
 161.11 and submit the consolidated report to the legislative committees with jurisdiction over
 161.12 economic development and workforce policy and finance.

161.13 Sec. 9. Minnesota Statutes 2014, section 268.035, subdivision 6, is amended to read:

161.14 Subd. 6. **Benefit year.** "Benefit year" means the period of 52 calendar weeks
 161.15 beginning the date a benefit account is effective. For a benefit account established
 161.16 effective any January 1, April 1, July 1, or October 1, ~~or January 2, 2000, or October 2,~~
 161.17 ~~2011,~~ the benefit year will be a period of 53 calendar weeks.

161.18 **EFFECTIVE DATE.** This section is effective August 2, 2015.

161.19 Sec. 10. Minnesota Statutes 2014, section 268.035, subdivision 21b, is amended to read:

161.20 Subd. 21b. **Preponderance of the evidence.** "Preponderance of the evidence"
 161.21 means evidence in substantiation support of a fact that, ~~when weighed against the evidence~~
 161.22 ~~opposing the fact,~~ is more convincing and has a greater probability of truth than the
 161.23 evidence opposing the fact.

161.24 **EFFECTIVE DATE.** This section is effective August 2, 2015.

161.25 Sec. 11. Minnesota Statutes 2014, section 268.035, subdivision 26, is amended to read:

161.26 Subd. 26. **Unemployed.** An applicant is considered "unemployed" (±) in any week
 161.27 that:

161.28 (1) the applicant performs less than 32 hours of service in employment, covered
 161.29 employment, noncovered employment, self-employment, or volunteer work; and

161.30 (2) any earnings with respect to that week are less than the applicant's weekly
 161.31 unemployment benefit amount.

161.32 **EFFECTIVE DATE.** This section is effective August 2, 2015.

162.1 Sec. 12. Minnesota Statutes 2014, section 268.035, subdivision 30, is amended to read:

162.2 Subd. 30. **Wages paid.** (a) "Wages paid" means the amount of wages:

162.3 (1) that have been actually paid; or

162.4 (2) that have been credited to or set apart so that payment and disposition is under
162.5 the control of the employee.

162.6 (b) Wage payments delayed beyond the regularly scheduled pay date are considered
162.7 "wages paid" on the missed pay date. Back pay is considered "wages paid" on the date
162.8 of actual payment. Any wages earned but not paid with no scheduled date of payment is
162.9 considered "wages paid" on the last day of employment.

162.10 ~~(b)~~ (c) Wages paid does not include wages earned but not paid except as provided
162.11 for in this subdivision.

162.12 **EFFECTIVE DATE.** This section is effective August 2, 2015.

162.13 Sec. 13. Minnesota Statutes 2014, section 268.051, subdivision 7, is amended to read:

162.14 Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned
162.15 a tax rate based upon an experience rating, and has no amounts past due under this
162.16 chapter, may, upon the payment of an amount equivalent to any portion or all of the
162.17 unemployment benefits used in computing the experience rating plus a surcharge of 25
162.18 percent, obtain a cancellation of unemployment benefits used equal to the payment made,
162.19 less the surcharge. The payment is applied to the most recent unemployment benefits paid
162.20 that are used in computing the experience rating. Upon the payment, the commissioner
162.21 must compute a new experience rating for the employer, and compute a new tax rate.

162.22 (b) Payments for a tax rate buydown may be made only by electronic payment
162.23 and must be received within 120 calendar days from the beginning of the calendar year
162.24 for which the tax rate is effective.

162.25 ~~(c) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided~~
162.26 ~~for in paragraph (a) does not apply.~~

162.27 **EFFECTIVE DATE.** This section is effective August 2, 2015.

162.28 Sec. 14. Minnesota Statutes 2014, section 268.07, subdivision 2, is amended to read:

162.29 Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to
162.30 establish a benefit account an applicant must have total wage credits in the applicant's four
162.31 quarter base period of at least: ~~(1) \$2,400; or (2) 5.3 percent of the state's average annual~~
162.32 ~~wage rounded down to the next lower \$100, whichever is higher.~~

163.1 (b) To establish a new benefit account ~~within 52 calendar weeks~~ following the
 163.2 expiration of the benefit year on a prior benefit account, an applicant must have performed
 163.3 ~~services~~ actual work in subsequent covered employment and have been paid wages in one
 163.4 or more completed calendar quarters that started after the effective date of the prior benefit
 163.5 account. The wages paid for ~~those services~~ that employment must be at least enough to
 163.6 meet the requirements of paragraph (a). A benefit account under this paragraph may not
 163.7 be established effective earlier than the Sunday following the end of the most recent
 163.8 completed calendar quarter in which the requirements of paragraph (a) were met. ~~One~~
 163.9 ~~of the reasons for this paragraph is to prevent~~ An applicant ~~from establishing~~ may not
 163.10 establish a second benefit account as a result of one loss of employment.

163.11 **EFFECTIVE DATE.** This section is effective August 2, 2015, except the amendment
 163.12 striking "within 52 calendar weeks" is effective the day following final enactment.

163.13 Sec. 15. Minnesota Statutes 2014, section 268.07, subdivision 3b, is amended to read:

163.14 Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for
 163.15 unemployment benefits is effective the Sunday of the calendar week that the application
 163.16 was filed. An application for unemployment benefits may be backdated one calendar week
 163.17 before the Sunday of the week the application was actually filed if the applicant requests
 163.18 the backdating at the time the application is filed. An application may be backdated only
 163.19 if the applicant was unemployed during the period of the backdating. If an individual
 163.20 attempted to file an application for unemployment benefits, but was prevented from filing
 163.21 an application by the department, the application is effective the Sunday of the calendar
 163.22 week the individual first attempted to file an application.

163.23 (b) A benefit account established under subdivision 2 is effective the date the
 163.24 application for unemployment benefits was effective.

163.25 (c) A benefit account, once established, may later be withdrawn only if:

163.26 (1) the applicant has not been paid any unemployment benefits on that benefit
 163.27 account; and

163.28 (2) a new application for unemployment benefits is filed and a new benefit account is
 163.29 established at the time of the withdrawal.

163.30 A determination or amended determination of eligibility or ineligibility issued under
 163.31 section 268.101, that was sent before the withdrawal of the benefit account, remains in
 163.32 effect and is not voided by the withdrawal of the benefit account.

163.33 (d) An application for unemployment benefits is not allowed before the Sunday
 163.34 following the expiration of the benefit year on a prior benefit account. Except as allowed
 163.35 under paragraph (c), an applicant may establish only one benefit account each 52 calendar

164.1 weeks. This paragraph applies to benefit accounts established under any federal law or
164.2 the law of any other state.

164.3 **EFFECTIVE DATE.** This section is effective August 2, 2015.

164.4 Sec. 16. Minnesota Statutes 2014, section 268.085, subdivision 1, is amended to read:

164.5 Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive
164.6 unemployment benefits for any week if:

164.7 (1) the applicant has filed a continued request for unemployment benefits for that
164.8 week under section 268.0865;

164.9 (2) the week for which unemployment benefits are requested is in the applicant's
164.10 benefit year;

164.11 (3) the applicant was unemployed as defined in section 268.035, subdivision 26;

164.12 (4) the applicant was available for suitable employment as defined in subdivision

164.13 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each
164.14 day the applicant is unavailable for suitable employment. This clause does not apply to
164.15 an applicant who is in reemployment assistance training, or each day the applicant is on
164.16 jury duty or serving as an election judge;

164.17 (5) the applicant was actively seeking suitable employment as defined in subdivision
164.18 16. This clause does not apply to an applicant who is in reemployment assistance training
164.19 or who was on jury duty throughout the week;

164.20 (6) the applicant has served a nonpayable period of one week that the applicant is
164.21 otherwise entitled to some amount of unemployment benefits. This clause does not apply
164.22 if the applicant would have been entitled to federal disaster unemployment assistance
164.23 because of a disaster in Minnesota, but for the applicant's establishment of a benefit
164.24 account under section 268.07; and

164.25 (7) the applicant has been participating in reemployment assistance services, such as
164.26 job development of, and adherence to, a work search and resume writing classes plan, if
164.27 the applicant has been ~~determined in need of reemployment assistance services~~ directed
164.28 to participate by the commissioner, ~~unless.~~ This clause does not apply if the applicant
164.29 has good cause for failing to participate.

164.30 **EFFECTIVE DATE.** This section is effective August 2, 2015.

164.31 Sec. 17. Minnesota Statutes 2014, section 268.085, subdivision 2, is amended to read:

164.32 Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for
164.33 any week:

- 165.1 (1) that occurs before the effective date of a benefit account;
- 165.2 (2) that the applicant, at the beginning of the week, has an outstanding fraud
165.3 overpayment balance under section 268.18, subdivision 2, including any penalties and
165.4 interest;
- 165.5 (3) that occurs in a period when the applicant is a student in attendance at, or on
165.6 vacation from a secondary school including the period between academic years or terms;
- 165.7 (4) that the applicant is incarcerated or performing court-ordered community service.
165.8 The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day
165.9 the applicant is incarcerated or performing court-ordered community service;
- 165.10 (5) that the applicant fails or refuses to provide information on an issue of
165.11 ineligibility required under section 268.101;
- 165.12 (6) that the applicant is performing services 32 hours or more, in employment,
165.13 covered employment, noncovered employment, volunteer work, or self-employment
165.14 regardless of the amount of any earnings; or
- 165.15 (7) with respect to which the applicant ~~is receiving, has received, or has filed an~~
165.16 application for unemployment benefits under any federal law or the law of any other
165.17 state. If the appropriate agency finally determines that the applicant is not entitled to ~~the~~
165.18 ~~unemployment benefits~~ establish a benefit account under federal law of the law of any
165.19 other state, this clause does not apply.

165.20 **EFFECTIVE DATE.** This section is effective August 2, 2015.

165.21 Sec. 18. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

165.22 Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all
165.23 unemployment benefits according to subdivision 10 except when:

- 165.24 (1) the applicant quit the employment because of a good reason caused by the
165.25 employer as defined in subdivision 3;
- 165.26 (2) the applicant quit the employment to accept other covered employment that
165.27 provided substantially equal to or better terms and conditions of employment, but
165.28 the applicant did not work long enough at the second employment to have sufficient
165.29 subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed
165.30 under subdivision 10 for quitting the first employment;
- 165.31 (3) the applicant quit the employment within 30 calendar days of beginning the
165.32 employment because the employment was unsuitable for the applicant;
- 165.33 (4) the employment was unsuitable for the applicant and the applicant quit to enter
165.34 reemployment assistance training;

166.1 (5) the employment was part time and the applicant also had full-time employment
166.2 in the base period, from which full-time employment the applicant separated because of
166.3 reasons for which the applicant ~~was held~~ is not to be ineligible, and the wage credits from
166.4 the full-time employment are sufficient to meet the minimum requirements to establish a
166.5 benefit account under section 268.07;

166.6 (6) the applicant quit because the employer notified the applicant that the applicant
166.7 was going to be laid off because of lack of work within 30 calendar days. An applicant
166.8 who quit employment within 30 calendar days of a notified date of layoff because of lack
166.9 of work is ineligible for unemployment benefits through the end of the week that includes
166.10 the scheduled date of layoff;

166.11 (7) the applicant quit the employment (i) because the applicant's serious illness or
166.12 injury made it medically necessary that the applicant quit; or (ii) in order to provide
166.13 necessary care because of the illness, injury, or disability of an immediate family member
166.14 of the applicant. This exception only applies if the applicant informs the employer of
166.15 the medical problem and requests accommodation and no reasonable accommodation
166.16 is made available.

166.17 If the applicant's serious illness is chemical dependency, this exception does not
166.18 apply if the applicant was previously diagnosed as chemically dependent or had treatment
166.19 for chemical dependency, and since that diagnosis or treatment has failed to make
166.20 consistent efforts to control the chemical dependency.

166.21 This exception raises an issue of the applicant's being available for suitable
166.22 employment under section 268.085, subdivision 1, that the commissioner must determine;

166.23 (8) the applicant's loss of child care for the applicant's minor child caused the
166.24 applicant to quit the employment, provided the applicant made reasonable effort to obtain
166.25 other child care and requested time off or other accommodation from the employer and no
166.26 reasonable accommodation is available.

166.27 This exception raises an issue of the applicant's being available for suitable
166.28 employment under section 268.085, subdivision 1, that the commissioner must determine;

166.29 (9) the applicant quit because domestic abuse, sexual assault, or stalking of the
166.30 applicant or an immediate family member of the applicant, necessitated the applicant's
166.31 quitting the employment.

166.32 For purposes of this subdivision:

166.33 (i) "domestic abuse" has the meaning given in section 518B.01;

166.34 (ii) "sexual assault" means an act that would constitute a violation of sections
166.35 609.342 to 609.3453 or 609.352; and

166.36 (iii) "stalking" means an act that would constitute a violation of section 609.749; or

167.1 (10) the applicant quit in order to relocate to accompany a spouse whose job location
167.2 changed making it impractical for the applicant to commute. This exception only applies
167.3 if the spouse's job is in the military or provides total wages and other compensation that is
167.4 equal to or better than the applicant's employment.

167.5 **EFFECTIVE DATE.** This section is effective August 2, 2015.

167.6 Sec. 19. Minnesota Statutes 2014, section 268.095, subdivision 10, is amended to read:

167.7 Subd. 10. **Ineligibility duration.** (a) Ineligibility from the payment of all
167.8 unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's
167.9 unemployment and until the end of the calendar week that the applicant had total wages
167.10 paid for actual work performed in subsequent covered employment sufficient to meet
167.11 one-half of the requirements of section 268.07, subdivision 2, paragraph (a).

167.12 (b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the
167.13 week that the applicant became separated from employment.

167.14 (c) In addition to paragraph (a), if the applicant was discharged from employment
167.15 because of aggravated employment misconduct, wage credits from that employment are
167.16 canceled and cannot be used for purposes of a benefit account under section 268.07,
167.17 subdivision 2.

167.18 **EFFECTIVE DATE.** This section is effective August 2, 2015.

167.19 Sec. 20. Minnesota Statutes 2014, section 268.105, subdivision 3, is amended to read:

167.20 Subd. 3. **Withdrawal of an appeal.** (a) ~~Any~~ An appeal that is pending before
167.21 an unemployment law judge may be withdrawn by the appealing person party, or an
167.22 authorized representative of that person party, ~~upon~~ by filing of a notice of withdrawal. A
167.23 notice of withdrawal may be filed by mail or by electronic transmission.

167.24 (b) The appeal must, by order, be dismissed if a notice of withdrawal is filed, unless
167.25 an unemployment law judge directs that further ~~adjudication is~~ proceedings are required
167.26 for a proper result. An order of dismissal issued as a result of a notice of withdrawal is
167.27 not subject to reconsideration or appeal.

167.28 (c) ~~A notice of withdrawal may be filed by mail or by electronic transmission.~~ A
167.29 party may file a new appeal after the order of dismissal, but the original 20-calendar-day
167.30 period for appeal begins from the date of issuance of the determination and that time
167.31 period is not suspended or restarted by the notice of withdrawal and order of dismissal.
167.32 The new appeal may only be filed by mail or facsimile transmission.

168.1 (d) For purposes of this subdivision, "appeals" includes a request for reconsideration
168.2 filed under subdivision 2.

168.3 **EFFECTIVE DATE.** This section is effective August 2, 2015.

168.4 Sec. 21. Minnesota Statutes 2014, section 268.105, subdivision 7, is amended to read:

168.5 Subd. 7. **Judicial review.** (a) The Minnesota Court of Appeals must, by writ
168.6 of certiorari to the department, review the unemployment law judge's decision on
168.7 reconsideration, provided a petition for the writ is filed with the court and a copy is served
168.8 upon the unemployment law judge or the commissioner and any other party within 30
168.9 calendar days of the sending of the unemployment law judge's decision on reconsideration
168.10 under subdivision 2. Three days are added to the 30-calendar-day period if the decision on
168.11 reconsideration was mailed to the parties.

168.12 (b) Any employer petitioning for a writ of certiorari must pay to the court the
168.13 required filing fee in accordance with the Rules of Civil Appellate Procedure. If the
168.14 employer requests a written transcript of the testimony received at the hearing conducted
168.15 under subdivision 1, the employer must pay to the department the cost of preparing the
168.16 transcript. That money is credited to the administration account.

168.17 (c) Upon issuance by the Minnesota Court of Appeals of a writ of certiorari as a
168.18 result of an applicant's petition, the department must furnish to the applicant at no cost a
168.19 written transcript of any testimony received at the hearing conducted under subdivision 1,
168.20 and, if requested, a copy of all exhibits entered into evidence. No filing fee or cost bond is
168.21 required of an applicant petitioning the Minnesota Court of Appeals for a writ of certiorari.

168.22 (d) The Minnesota Court of Appeals may affirm the decision of the unemployment
168.23 law judge or remand the case for further proceedings; or it may reverse or modify the
168.24 decision if the substantial rights of the petitioner may have been prejudiced because the
168.25 findings, inferences, conclusion, or decision are:

168.26 (1) in violation of constitutional provisions;

168.27 (2) in excess of the statutory authority or jurisdiction of the department;

168.28 (3) made upon unlawful procedure;

168.29 (4) affected by other error of law;

168.30 (5) unsupported by substantial evidence in view of the entire record as submitted; or

168.31 (6) arbitrary or capricious.

168.32 (e) The department is considered the primary responding party to any judicial action
168.33 involving an unemployment law judge's decision. The department may be represented by
168.34 an attorney licensed to practice law in Minnesota who is an employee of the department.

169.1 **EFFECTIVE DATE.** This section is effective August 2, 2015.

169.2 Sec. 22. Minnesota Statutes 2014, section 268.136, subdivision 1, is amended to read:

169.3 Subdivision 1. **Shared work plan requirements.** An employer may submit a
169.4 proposed shared work plan for an employee group to the commissioner for approval in a
169.5 manner and format set by the commissioner. The proposed shared work plan must include:

169.6 (1) a certified statement that the normal weekly hours of work of all of the proposed
169.7 participating employees were full time or regular part time but are now reduced, or will be
169.8 reduced, with a corresponding reduction in pay, in order to prevent layoffs;

169.9 (2) the name and Social Security number of each participating employee;

169.10 (3) the number of layoffs that would have occurred absent the employer's ability to
169.11 participate in a shared work plan;

169.12 (4) a certified statement that each participating employee was first hired by the
169.13 employer at least one year before the proposed shared work plan is submitted and is not a
169.14 seasonal, temporary, or intermittent worker;

169.15 (5) the hours of work each participating employee will work each week for the
169.16 duration of the shared work plan, which must be at least 50 percent of the normal weekly
169.17 hours but no more than ~~90~~ 80 percent of the normal weekly hours, except that the plan
169.18 may provide for a uniform vacation shutdown of up to two weeks;

169.19 (6) a certified statement that any health benefits and pension benefits provided by
169.20 the employer to participating employees will continue to be provided under the same
169.21 terms and conditions as though the participating employees' hours of work each week had
169.22 not been reduced;

169.23 (7) a certified statement that the terms and implementation of the shared work plan is
169.24 consistent with the employer's obligations under state and federal law;

169.25 (8) an acknowledgement that the employer understands that unemployment benefits
169.26 paid under a shared work plan will be used in computing the future tax rate of a taxpaying
169.27 employer or charged to the reimbursable account of a nonprofit or government employer;

169.28 (9) the proposed duration of the shared work plan, which must be at least two months
169.29 and not more than one year, although a plan may be extended for up to an additional
169.30 year upon approval of the commissioner;

169.31 (10) a starting date beginning on a Sunday at least 15 calendar days after the date the
169.32 proposed shared work plan is submitted; and

169.33 (11) a signature of an owner or officer of the employer who is listed as an owner or
169.34 officer on the employer's account under section 268.045.

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

170.1 Sec. 23. Minnesota Statutes 2014, section 268.194, subdivision 1, is amended to read:

170.2 Subdivision 1. **Establishment.** There is established as a special state trust fund,
 170.3 separate and apart from all other public money or funds of this state, an unemployment
 170.4 insurance trust fund, that is administered by the commissioner exclusively for the payment
 170.5 of unemployment benefits. This trust fund consists of:

170.6 (1) all taxes collected;

170.7 (2) interest earned upon any money in the trust fund;

170.8 (3) reimbursements paid by nonprofit organizations and the state and political
 170.9 subdivisions;

170.10 (4) tax rate buydown payments under section 268.051, subdivision 7;

170.11 (5) any money received as a loan from the federal unemployment trust fund in
 170.12 accordance with United States Code, title 42, section 1321, of the Social Security Act;

170.13 (6) any other money received under a reciprocal unemployment benefit arrangement
 170.14 with the federal government or any other state;

170.15 (7) money recovered on overpaid unemployment benefits ~~except, if allowed by~~
 170.16 ~~federal law, five percent of any recovered amount is credited to the administration account;~~

170.17 (8) all money credited to the account under this chapter;

170.18 (9) all money credited to the account of Minnesota in the federal unemployment
 170.19 trust fund under United States Code, title 42, section 1103, of the Social Security Act,
 170.20 also known as the Reed Act; and

170.21 (10) all money received for the trust fund from any other source.

170.22 **EFFECTIVE DATE.** This section is effective August 2, 2015.

170.23 Sec. 24. **[268A.031] COMMISSIONER AND EMPLOYEES NOT SUBJECT**
 170.24 **TO SUBPOENA.**

170.25 The commissioner and employees of the department shall not be subject to subpoena
 170.26 for purposes of providing testimony regarding any client served under this chapter.

170.27 Sec. 25. Laws 2014, chapter 308, article 6, section 14, subdivision 5, is amended to read:

170.28 Subd. 5. **Allocation.** The amount of a grant may not exceed the lesser of ~~\$400,000~~
 170.29 \$1,000,000 or ~~ten~~ 25 percent of the rental housing development project cost. The
 170.30 commissioner shall not award a grant to a city without certification by the city that the
 170.31 amount of the grant shall be matched by a local unit of government, business, or nonprofit
 170.32 organization with \$1 for every \$2 provided in grant funds.

171.1 Sec. 26. **MECHANISMS AND COSTS; MINNESOTA PAID FAMILY AND**
 171.2 **MEDICAL LEAVE PROGRAM.**

171.3 The Department of Employment and Economic Development, in collaboration with
 171.4 the Departments of Labor and Industry and Health and Human Services, shall report
 171.5 on the most efficient and effective mechanisms and associated costs for the design and
 171.6 delivery of a statewide broad-based insurance program that would provide partial wage
 171.7 replacement for workers taking parental, family, or medical leave.

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

171.9 Sec. 27. **FAMILY LEAVE INSURANCE PROGRAM; ANALYSIS.**

171.10 (a) The Department of Employment and Economic Development, in consultation
 171.11 with the Departments of Labor and Industry, Health and Human Services, shall conduct
 171.12 an analysis of various options for the delivery of the family and medical leave insurance
 171.13 program and their associated costs and benefits. This analysis shall include:

171.14 (1) an evaluation of mechanisms for:

171.15 (i) the determination of eligibility;

171.16 (ii) the collection of employer and employee contributions;

171.17 (iii) the processing and payment of claims; and

171.18 (iv) an effective enforcement of the program and the protection of employees who
 171.19 use or seek to use family or medical leaves pursuant to the program;

171.20 (2) an estimated timeline for implementation of the various mechanisms and
 171.21 approaches evaluated under clause (1);

171.22 (3) separate cost estimates for each of the following types of leave:

171.23 (i) parental leave;

171.24 (ii) leave to care for a family member with a serious health condition, family leave;

171.25 and

171.26 (iii) medical leave; and

171.27 (4) options and associated mechanisms for financing the program including, but not
 171.28 limited to, a premium assessed on employers and employees.

171.29 (b) In conducting this analysis, the department shall:

171.30 (1) utilize the expertise of relevant state agencies to take advantage of existing
 171.31 systems, to minimize start-up costs, and to maximize use of existing agency systems
 171.32 and programs and avoid redundancy; and

171.33 (2) build on the experiences of other states and agencies with existing or proposed
 171.34 paid family and medical leave programs at the state and federal level.

172.1 (c) By December 15, 2015, the commissioner of employment and economic
172.2 development shall report to the legislative committees with jurisdiction over labor, jobs,
172.3 and health and human services on the results of its analysis under this section.

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

172.5 Sec. 28. **SPECIAL UNEMPLOYMENT BENEFIT ASSISTANCE.**

172.6 Notwithstanding Minnesota Statutes, sections 268.085, subdivision 3, paragraph (a),
172.7 and 268.035, subdivision 29, paragraph (a), clause (13), applicants laid off due to lack of
172.8 work from a facility engaged directly in the extraction or processing of iron ore in Itasca
172.9 County, St. Louis County, or Lake County, between March 1, 2015, and December 31,
172.10 2015, will not be ineligible for unemployment benefits because of:

172.11 (1) the receipt of vacation pay from the employer engaged in the extraction or
172.12 processing of iron ore; or

172.13 (2) the receipt of supplemental unemployment benefits from the employer engaged
172.14 in the extraction or processing of iron ore.

172.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
172.16 is effective retroactively from March 1, 2015. This section expires December 31, 2016.

172.17 Sec. 29. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

172.18 Subdivision 1. **Establishment.** The commissioner of employment and economic
172.19 development shall establish a day training and habilitation grant program in fulfillment
172.20 of the Olmstead Plan purpose of ensuring that people with disabilities have choices for
172.21 competitive, meaningful, and sustained employment in the most integrated setting.

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

172.24 (b) "Day training and habilitation providers" means those organizations whose
172.25 names are listed as Department of Human Services providers in the Minnesota Department
172.26 of Administration, Materials Management Division, ALP Manual, Appendix J, without
172.27 regard to whether they are listed as approved vendors with the Minnesota Department
172.28 of Employment and Economic Development, Division of Rehabilitation Services as a
172.29 community rehabilitation provider, limited-use vendor, or center for independent living,
172.30 and irrespective as to whether they are accredited by CARF International.

172.31 (c) "Competitive employment" means full-time or part-time employment, with or
172.32 without support, in an integrated setting in the community that pays at least minimum
172.33 wage, as defined by the Fair Labor Standards Act, but not less than the customary wage

173.1 and level of benefits paid by the employer for the same or similar work performed by
 173.2 workers without a disability.

173.3 (d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1,
 173.4 2013, and all subsequent modifications approved by the United States District Court.

173.5 Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals
 173.6 to day training and habilitation providers seeking proposals to assist the Department
 173.7 of Employment and Economic Development in achieving its goals as provided in the
 173.8 Olmstead Plan. Grant funds shall be used to improve individual employment outcomes
 173.9 by aligning programs, funding, and policies to support people with disabilities to choose,
 173.10 secure, and maintain competitive employment and self-employment, including, but not
 173.11 limited to, the following activities:

173.12 (1) implementing policies and initiating processes that improve the employment
 173.13 outcomes of working adults with disabilities;

173.14 (2) offering incentives for innovation that increase competitive employment in
 173.15 the general work force;

173.16 (3) expanding the flexibility in current funding and services to increase competitive
 173.17 employment outcomes;

173.18 (4) providing evidence of partnerships with private sector businesses and public
 173.19 sector employment; and

173.20 (5) submitting outcome data, required by the department, according to the
 173.21 stipulations of the Olmstead Plan.

173.22 Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social
 173.23 Security Administration or state medical review team is eligible to receive services
 173.24 provided with grant funds.

173.25 Subd. 5. **Consultation required.** The commissioner shall consult with the
 173.26 governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and
 173.27 Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and
 173.28 other governor-appointed disability councils in designing, implementing, and evaluating
 173.29 the competitive grant program.

173.30 Subd. 6. **Report.** On or before February 1, 2016, and annually thereafter, the
 173.31 commissioner shall report to the chairs and ranking minority members of the senate and
 173.32 house of representatives committees having jurisdiction over employment and economic
 173.33 development policy and finance on the amount of funds awarded and the outcomes
 173.34 reported by grantees.

173.35 Sec. 30. **"GETTING TO WORK" GRANT PROGRAM.**

174.1 Subdivision 1. **Creation.** The commissioner of employment and economic
174.2 development shall make grants to nonprofit organizations to establish and operate
174.3 programs under this section that provide, repair, or maintain motor vehicles to assist
174.4 eligible individuals to obtain or maintain employment.

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

- 174.6 (1) qualify under section 501(c)(3) of the Internal Revenue Code; and
174.7 (2) at the time of application offer, or have the demonstrated capacity to offer, a
174.8 motor vehicle program that provides the services required under subdivision 3.

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

- 174.11 (1) provision of new or used motor vehicles by gift, sale, or lease;
174.12 (2) motor vehicle repair and maintenance services; or
174.13 (3) motor vehicle loans.
174.14 (b) In addition to the requirements of paragraph (a), a program must offer one or
174.15 more of the following services:

- 174.16 (1) financial literacy education;
174.17 (2) education on budgeting for vehicle ownership;
174.18 (3) car maintenance and repair instruction;
174.19 (4) credit counseling; or
174.20 (5) job training related to motor vehicle maintenance and repair.
174.21 (c) A program may also offer other transportation-related support services.

174.22 Subd. 4. **Application.** Applications for a grant must be by a form provided by the
174.23 commissioner and on a schedule set by the commissioner. Applications must, in addition
174.24 to any other information required by the commissioner, include the following:

- 174.25 (1) a detailed description of all services to be offered;
174.26 (2) the area to be served;
174.27 (3) the estimated number of program participants to be served by the grant; and
174.28 (4) a plan for leveraging resources from partners that may include, but are not
174.29 limited to:
174.30 (i) automobile dealers;
174.31 (ii) automobile parts dealers;
174.32 (iii) independent local mechanics and automobile repair facilities;
174.33 (iv) banks and credit unions;
174.34 (v) employers;
174.35 (vi) employment and training agencies;

175.1 (vii) insurance companies and agents;
175.2 (viii) local workforce centers; and
175.3 (ix) educational institutions including vocational institutions and jobs or skills
175.4 training programs.

175.5 Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services,
175.6 a person must:

175.7 (1) have a household income at or below 200 percent of the federal poverty level;
175.8 (2) be at least 18 years of age;
175.9 (3) have a valid driver's license;
175.10 (4) provide the grantee with proof of motor vehicle insurance; and
175.11 (5) demonstrate to the grantee that a motor vehicle is required by the person to
175.12 obtain or maintain employment.

175.13 (b) This subdivision does not preclude a grantee from imposing additional
175.14 requirements, not inconsistent with paragraph (a), for the receipt of program services.

175.15 Subd. 6. **Allocation of grants.** The commissioner shall allocate grants to up to 15
175.16 grantees so that, to the extent feasible, program services are available in every county of
175.17 the state.

175.18 Subd. 7. **Report to legislature.** By February 15, 2017, the commissioner shall
175.19 submit a report to the chairs of the house of representatives and senate committees with
175.20 jurisdiction over workforce and economic development on program outcomes. At a
175.21 minimum, the report must include:

175.22 (1) the total number of program participants;
175.23 (2) the number of program participants who received each of the following:
175.24 (i) provision of a motor vehicle;
175.25 (ii) motor vehicle repair services; and
175.26 (iii) motor vehicle loan; and
175.27 (3) an analysis of the impact of the "Getting to Work" grant program on the
175.28 employment rate and wages of program participants.

175.29 **ARTICLE 8**

175.30 **DEPARTMENT OF COMMERCE**

175.31 **Section 1.** Minnesota Statutes 2014, section 16C.144, is amended by adding a
175.32 subdivision to read:

176.1 Subd. 7. **Funding.** (a) The commissioner of commerce is authorized to set and fix a
176.2 fee to fund the program under this section. The fee shall be paid as a percentage of the
176.3 total investment cost for a project that has received a fully executed work order contract
176.4 under the conditions imposed by this section. The fee percentage shall be adjusted on the
176.5 basis of the total value of the contracts approved relative to the funding level needed
176.6 to operate the program.

176.7 (b) Fees collected under this subdivision must be deposited in the guaranteed energy
176.8 savings platform account under subdivision 8.

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

176.10 Sec. 2. Minnesota Statutes 2014, section 16C.144, is amended by adding a subdivision
176.11 to read:

176.12 Subd. 8. **Guaranteed energy savings platform account; appropriation.** (a) A
176.13 guaranteed energy savings platform account is created as a separate account in the special
176.14 revenue fund. The account consists of funds donated, allocated, transferred, or otherwise
176.15 provided to the account, including fees collected and deposited under subdivision 7.
176.16 Earnings, including interest, dividends, and any other earnings arising from account assets,
176.17 must be credited to the account.

176.18 (b) Funds in the account are annually appropriated to the commissioner of commerce
176.19 for activities under this section.

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

176.21 Sec. 3. Minnesota Statutes 2014, section 60D.215, subdivision 2, is amended to read:

176.22 Subd. 2. **Expenses.** Each registered insurer subject to this section is liable for and
176.23 shall pay the reasonable expenses of the commissioner's participation in a supervisory
176.24 college in accordance with subdivision 3, including reasonable travel expenses. For
176.25 purposes of this section, a supervisory college may be convened as either a temporary
176.26 or permanent forum for communication and cooperation between the regulators charged
176.27 with the supervision of the insurer or its affiliates, and the commissioner may establish a
176.28 regular assessment to the insurer for the payment of these expenses. A registered insurer's
176.29 liability for expenses under this subdivision is limited to the actual, incurred costs of the
176.30 commissioner's participation in their supervisory college.

176.31 Sec. 4. Minnesota Statutes 2014, section 72B.092, subdivision 1, is amended to read:

177.1 Subdivision 1. **Prohibitions on insurer.** No adjuster or insurer, director, officer,
 177.2 broker, agent, attorney-in-fact, employee, or other representative of an insurer shall
 177.3 in collision cases:

177.4 (1) limit the freedom of an insured or claimant to choose the shop;

177.5 (2) require that an insured or claimant present the claim or the automobile for loss
 177.6 adjustment or inspection at a particular motor vehicle repair shop or shops designated by
 177.7 the insurer, or a "drive-in" claim center or any other similar facility solely under the
 177.8 control of the insurer;

177.9 (3) engage in boycotts, intimidation or coercive tactics in negotiating repairs to
 177.10 damaged motor vehicles which they insure or are liable to claimants to have repaired;

177.11 (4) attempt to secure, except in an emergency, the insured's or claimant's signature
 177.12 authorizing the party securing the signature to act in behalf of the insured or claimant in
 177.13 selection of a repair shop facility;

177.14 (5) adjust a damage appraisal of a repair shop when the extent of damage is in
 177.15 dispute without conducting a physical inspection of the vehicle;

177.16 (6) specify the use of a particular electronic estimating system, or the use of a
 177.17 particular vendor or software program for the procurement of parts or other materials
 177.18 necessary for the satisfactory repair of the vehicle. This clause does not require the
 177.19 insurer to pay more than a reasonable market price for parts of like kind and quality
 177.20 in adjusting a claim; or

177.21 (7) unilaterally and arbitrarily disregard a repair operation or cost identified by an
 177.22 estimating system, which an insurer and collision repair facility have agreed to utilize
 177.23 in determining the cost of repair.

177.24 Sec. 5. **[80A.461] MNVEST REGISTRATION EXEMPTION.**

177.25 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in
 177.26 paragraphs (b) through (e) have the meanings given them.

177.27 (b) "MNvest issuer" means an entity organized under the laws of Minnesota, other
 177.28 than a general partnership, that satisfies the requirements of Code of Federal Regulations,
 177.29 title 17, part 230.147, and the following requirements:

177.30 (1) the principal office of the entity is located in Minnesota;

177.31 (2) as of the last day of the most recent semiannual fiscal period of the entity, at least
 177.32 80 percent, or other threshold permitted by Code of Federal Regulations, title 17, part
 177.33 230.147, of the entity's assets were located in Minnesota;

177.34 (3) except in the case of an entity whose gross revenue during the most recent period
 177.35 of 12 full months did not exceed \$5,000, the entity derived at least 80 percent, or other

178.1 threshold permitted by Code of Federal Regulations, title 17, part 230.147, of the entity's
178.2 gross revenues from the operation of a business in Minnesota during (i) the previous fiscal
178.3 year, if the MNvest offering begins during the first six months of the entity's fiscal year; or
178.4 (ii) during the 12 months ending on the last day of the sixth month of the entity's current
178.5 fiscal year, if the MNvest offering begins following the last day;

178.6 (4) the entity does not attempt to limit its liability, or the liability of any other
178.7 person, for fraud or intentional misrepresentation in connection with the offering of its
178.8 securities in a MNvest offering; and

178.9 (5) the entity is not:

178.10 (i) engaged in the business of investing, reinvesting, owning, holding, or trading in
178.11 securities, except that the entity may hold securities of one class in an entity that is not
178.12 itself engaged in the business of investing, reinvesting, owning, holding, or trading in
178.13 securities; or

178.14 (ii) subject to the reporting requirements of the Securities and Exchange Act of
178.15 1934, section 13 or 15(d), United States Code, title 15, sections 78m and 78o(d).

178.16 (c) "MNvest offering" means an offer, or an offer and sale, of securities by a MNvest
178.17 issuer that: (1) is conducted exclusively through a MNvest portal, and (2) satisfies the
178.18 requirements of this section and other requirements the administrator imposes by rule.

178.19 (d) "MNvest portal" means an Internet Web site that is operated by a portal operator
178.20 for the offer or sale of MNvest offerings under this section or registered securities under
178.21 section 80A.50, paragraph (b), and satisfies the requirements of subdivision 6.

178.22 (e) "Portal operator" means an entity, including an issuer, that:

178.23 (1) is authorized to do business in Minnesota;

178.24 (2) is a broker-dealer registered under this chapter or otherwise registers with the
178.25 administrator as a portal operator in accordance with subdivision 7, paragraph (a), and is
178.26 therefore excluded from broker-dealer registration; and

178.27 (3) satisfies such other conditions as the administrator may determine.

178.28 Subd. 2. **Generally.** The offer, sale, and issuance of securities in a MNvest offering
178.29 is exempt from the requirements of sections 80A.49 to 80A.54, except 80A.50, paragraph
178.30 (a), clause (3), and 80A.71, if the issuer meets the qualifications under this section.

178.31 Subd. 3. **MNvest offering.** (a) A MNvest offering must satisfy the following
178.32 requirements:

178.33 (1) the issuer must be a MNvest issuer on the date that its securities are first offered
178.34 for sale in the offering and continuously through the closing of the offering;

178.35 (2) the offering must meet the requirements of the federal exemption for intrastate
178.36 offerings in section 3(a)(11) of the Securities Act of 1933, United States Code, title 15,

179.1 section 77c(a)(11), and Rule 147 adopted under the Securities Act of 1933, Code of
179.2 Federal Regulations, title 17, part 230.147;

179.3 (3) the sale of securities must be conducted exclusively through a MNvest portal;

179.4 (4) the MNvest issuer shall require the portal operator to provide or make available
179.5 to prospective purchasers through the MNvest portal a copy of the MNvest issuer's balance
179.6 sheet and income statement for the MNvest issuer's most recent fiscal year, if the issuer
179.7 was in existence. For offerings beginning more than 90 days after the issuer's most recent
179.8 fiscal year end, or if the MNvest issuer was not in existence the previous calendar year, the
179.9 MNvest issuer must provide or make available a balance sheet as of a date not more than
179.10 90 days before the commencement of the MNvest offering for the MNvest issuer's most
179.11 recently completed fiscal year, or such shorter portion the MNvest issuer was in existence
179.12 during that period, and the year-to-date period, or inception-to-date period, if shorter,
179.13 corresponding with the more recent balance sheet required by this clause;

179.14 (5) in any 12-month period, the MNvest issuer shall not raise more than the
179.15 aggregate amounts set forth in item (i) or (ii), either in cash or other consideration, in
179.16 connection with one or more MNvest offerings:

179.17 (i) \$2,000,000 if the financial statements described in clause (4) have been (A)
179.18 audited by a certified public accountant firm licensed under chapter 326A using auditing
179.19 standards issued by either the American Institute of Certified Public Accountants or the
179.20 Public Company Oversight Board, or (B) reviewed by a certified public accountant
179.21 firm licensed under chapter 326A using the Statements on Standards for Accounting
179.22 and Review Services issued by the Accounting and Review Services Committee of the
179.23 American Institute of Certified Public Accountants; or

179.24 (ii) \$1,000,000 if the financial statements described in clause (4) have not been
179.25 audited or reviewed as described in item (i);

179.26 (6) the MNvest issuer must use at least 80 percent of the net proceeds of the offering
179.27 in connection with the operation of its business within Minnesota;

179.28 (7) no single purchaser may purchase more than \$10,000 in securities of the MNvest
179.29 issuer under this exemption in connection with a single MNvest offering unless the
179.30 purchaser is an accredited investor;

179.31 (8) all payments for the purchase of securities must be held in escrow until the
179.32 aggregate capital deposited into escrow from all purchasers is equal to or greater than the
179.33 stated minimum offering amount. Purchasers will receive a return of all their subscription
179.34 funds if the minimum offering amount is not raised by the stipulated expiration date
179.35 required in subdivision 4, clause (2). The escrow agent must be a bank, regulated trust
179.36 company, savings bank, savings association, or credit union authorized to do business

180.1 in Minnesota. Prior to the execution of the escrow agreement between the issuer and
180.2 the escrow agent, the escrow agent must conduct searches of the issuer, its executive
180.3 officers, directors, governors, and managers, as provided to the escrow agent by the portal
180.4 operator, against the Specially Designated Nationals list maintained by the Office of
180.5 Foreign Assets Control. The escrow agent is only responsible to act at the direction of the
180.6 party establishing the escrow account and does not have a duty or liability, contractual
180.7 or otherwise, to an investor or other person except as set forth in the applicable escrow
180.8 agreement or other contract;

180.9 (9) the MNvest issuer shall require the portal operator to make available to the
180.10 prospective purchaser through the MNvest portal a disclosure document that meets the
180.11 requirements set forth in subdivision 4;

180.12 (10) before selling securities to a prospective purchaser on a MNvest portal, the
180.13 MNvest issuer shall require the portal operator to obtain from the prospective purchaser
180.14 the certification required under subdivision 5;

180.15 (11) not less than ten days before the beginning of an offering of securities in reliance
180.16 on the exemption under this section, the MNvest issuer shall provide the following to
180.17 the administrator:

180.18 (i) a notice of claim of exemption from registration, specifying that the MNvest
180.19 issuer will be conducting an offering in reliance on the exemption under this section;

180.20 (ii) a copy of the disclosure document to be provided to prospective purchasers in
180.21 connection with the offering, as described in subdivision 4; and

180.22 (iii) a filing fee of \$300; and

180.23 (12) the MNvest issuer and the portal operator may engage in solicitation and
180.24 advertising of the MNvest offering provided that:

180.25 (i) the advertisement contains disclaiming language which clearly states:

180.26 (A) the advertisement is not the offer and is for informational purposes only;

180.27 (B) the offering is being made in reliance on the exemption under this section;

180.28 (C) the offering is directed only to residents of the state;

180.29 (D) all offers and sales are made through a MNvest portal; and

180.30 (E) the Department of Commerce is the securities regulator in Minnesota;

180.31 (ii) along with the disclosures required under item (i), the advertisement may contain
180.32 no more than the following information:

180.33 (A) the name and contact information of the MNvest issuer;

180.34 (B) a brief description of the general type of business of the MNvest issuer;

180.35 (C) the minimum offering amount the MNvest issuer is attempting to raise through
180.36 its offering;

181.1 (D) a description of how the issuer will use the funds raised through the MNvest
181.2 offering;

181.3 (E) the duration that the MNvest offering will remain open;

181.4 (F) the MNvest issuer's logo; and

181.5 (G) a link to the MNvest issuer's Web site and the MNvest portal in which the
181.6 MNvest offering is being made;

181.7 (iii) the advertisement complies with all applicable state and federal laws.

181.8 **Subd. 4. Required disclosures to prospective MNvest offering purchasers.**

181.9 The MNvest issuer shall require the portal operator to make available to the prospective
181.10 purchaser through the MNvest portal a printable or downloadable disclosure document
181.11 containing the following:

181.12 (1) the MNvest issuer's type of entity, the address and telephone number of its
181.13 principal office, its formation history for the previous five years, a summary of the material
181.14 facts of its business plan and its capital structure, and its intended use of the offering
181.15 proceeds, including any amounts to be paid from the proceeds of the MNvest offering, as
181.16 compensation or otherwise, to an owner, executive officer, director, governor, manager,
181.17 member, or other person occupying a similar status or performing similar functions on
181.18 behalf of the MNvest issuer;

181.19 (2) the MNvest offering must stipulate the date on which the offering will expire,
181.20 which must not be longer than 12 months from the date the MNvest offering commenced;

181.21 (3) a copy of the escrow agreement between the escrow agent, the MNvest issuer,
181.22 and, if applicable, the portal operator, as described in subdivision 3, clause (8);

181.23 (4) the financial statements required under subdivision 3, clause (4);

181.24 (5) the identity of all persons owning more than ten percent of any class of equity
181.25 interests in the company;

181.26 (6) the identity of the executive officers, directors, governors, managers, members,
181.27 and other persons occupying a similar status or performing similar functions in the name of
181.28 and on the behalf of the MNvest issuer, including their titles and their relevant experience;

181.29 (7) the terms and conditions of the securities being offered, a description of investor
181.30 exit strategies, and of any outstanding securities of the MNvest issuer; the minimum and
181.31 maximum amount of securities being offered; either the percentage economic ownership
181.32 of the MNvest issuer represented by the offered securities, assuming the minimum and, if
181.33 applicable, maximum number of securities being offered is sold, or the valuation of the
181.34 MNvest issuer implied by the price of the offered securities; the price per share, unit, or
181.35 interest of the securities being offered; any restrictions on transfer of the securities being

182.1 offered; and a disclosure that any future issuance of securities might dilute the value of
182.2 securities being offered;

182.3 (8) the identity of and consideration payable to a person who has been or will be
182.4 retained by the MNvest issuer to assist the MNvest issuer in conducting the offering and
182.5 sale of the securities, including a portal operator, but excluding (i) persons acting primarily
182.6 as accountants or attorneys, and (ii) employees whose primary job responsibilities involve
182.7 operating the business of the MNvest issuer rather than assisting the MNvest issuer in
182.8 raising capital;

182.9 (9) a description of any pending material litigation, legal proceedings, or regulatory
182.10 action involving the MNvest issuer or any executive officers, directors, governors,
182.11 managers, members, and other persons occupying a similar status or performing similar
182.12 functions in the name of and on behalf of the MNvest issuer;

182.13 (10) a statement of the material risks unique to the MNvest issuer and its business
182.14 plans;

182.15 (11) a statement that the securities have not been registered under federal or state
182.16 securities law and that the securities are subject to limitations on resale; and

182.17 (12) the following legend must be displayed conspicuously in the disclosure
182.18 document:

182.19 "IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY
182.20 ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF
182.21 THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE
182.22 SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR
182.23 STATE SECURITIES COMMISSION OR DIVISION OR OTHER REGULATORY
182.24 AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE
182.25 NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY
182.26 OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY
182.27 IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO
182.28 RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE
182.29 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION
182.30 (e) OF SEC RULE 147 (CODE OF FEDERAL REGULATIONS, TITLE 17, PART
182.31 230.147 (e)) AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS
182.32 AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT
182.33 TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD
182.34 BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL
182.35 RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME."

183.1 Subd. 5. Required certification from MNvest offering purchasers. Before
183.2 selling securities to a prospective purchaser through a MNvest portal, the MNvest issuer
183.3 shall require the portal operator to obtain from the prospective purchaser through the
183.4 applicable MNvest portal a written or electronic certification that includes, at a minimum,
183.5 the following statements:

183.6 "I UNDERSTAND AND ACKNOWLEDGE THAT:

183.7 If I make an investment in an offering through this MNvest portal, it is very likely
183.8 that I am investing in a high-risk, speculative business venture that could result in the
183.9 complete loss of my investment, and I need to be able to afford such a loss.

183.10 This offering has not been reviewed or approved by any state or federal securities
183.11 commission or division or other regulatory authority and that no such person or authority
183.12 has confirmed the accuracy or determined the adequacy of any disclosure made to me
183.13 relating to this offering.

183.14 If I make an investment in an offering through this MNvest portal, it is very likely
183.15 that the investment will be difficult to transfer or sell and, accordingly, I may be required
183.16 to hold the investment indefinitely.

183.17 By entering into this transaction with the company, I am affirmatively representing
183.18 myself as being a Minnesota resident at the time that this contract is formed, and if this
183.19 representation is subsequently shown to be false, the contract is void."

183.20 Subd. 6. MNvest portal. A MNvest portal must satisfy the requirements of clauses
183.21 (1) through (4):

183.22 (1) the Web site does not contain the word "MNvest" in its URL address;

183.23 (2) the Web site implements steps to limit Web site access to the offer or sale of
183.24 securities to only Minnesota residents when conducting MNvest offerings; and

183.25 (3) MNvest offerings may not be viewed on the MNvest portal by a prospective
183.26 purchaser until:

183.27 (i) the portal operator verifies, through its exercise of reasonable steps, such as using
183.28 a third-party verification service or as otherwise approved by the administrator, that the
183.29 prospective purchaser is a Minnesota resident; and

183.30 (ii) the prospective purchaser makes an affirmative acknowledgment, electronically
183.31 through the MNvest portal, that:

183.32 (A) I am a Minnesota resident;

183.33 (B) the securities and investment opportunities listed on this Web site involve
183.34 high-risk, speculative business ventures. If I choose to invest in any securities or
183.35 investment opportunity listed on this Web site, I may lose all of my investment, and
183.36 I can afford such a loss;

184.1 (C) the securities and investment opportunities listed on this Web site have not
184.2 been reviewed or approved by any state or federal securities commission or division or
184.3 other regulatory authority, and no such person or authority, including this Web site, has
184.4 confirmed the accuracy or determined the adequacy of any disclosure made to prospective
184.5 investors relating to any offering; and

184.6 (D) if I choose to invest in any securities or investment opportunity listed on this
184.7 Web site, I understand that the securities I will acquire may be difficult to transfer or sell,
184.8 that there is no ready market for the sale of such securities, that it may be difficult or
184.9 impossible for me to sell or otherwise dispose of this investment at any price, and that,
184.10 accordingly, I may be required to hold this investment indefinitely; and

184.11 (4) the Web site complies with all other rules adopted by the administrator.

184.12 Subd. 7. **Portal operator.** (a) An entity, other than a registered broker-dealer,
184.13 wishing to become a portal operator shall file with the administrator:

184.14 (1) form [to be approved by the administrator], including all applicable
184.15 schedules and supplemental information;

184.16 (2) a copy of the articles of incorporation or other documents that indicate the
184.17 entity's form of organization; and

184.18 (3) a filing fee of \$200.

184.19 (b) A portal operator's registration expires 12 months from the date the administrator
184.20 has approved the entity as a portal operator, and subsequent registration for the succeeding
184.21 12-month period shall be issued upon written application and upon payment of a renewal
184.22 fee of \$200, without filing of further statements or furnishing any further information,
184.23 unless specifically requested by the administrator. This section is not applicable to a
184.24 registered broker-dealer functioning as a portal operator.

184.25 (c) A portal operator that is not a broker-dealer registered under this chapter shall not:

184.26 (1) offer investment advice or recommendations, provided that a portal operator
184.27 shall not be deemed to be offering investment advice or recommendations merely because
184.28 it (i) selects, or may perform due diligence with respect to, issuers or offerings to be listed,
184.29 or (ii) provides general investor educational materials;

184.30 (2) provide transaction-based compensation for securities sold under this chapter to
184.31 employees, agents, or other persons unless the employees, agents, or other persons are
184.32 registered with the administrator and permitted to receive such compensation;

184.33 (3) charge a fee to the issuer for an offering of securities on a MNvest portal unless
184.34 the fee is (i) a fixed amount for each offering, (ii) a variable amount based on the length of
184.35 time that the securities are offered on the MNvest portal, or (iii) a combination of such
184.36 fixed and variable amounts; or

185.1 (4) hold, manage, possess, or otherwise handle purchaser funds or securities. This
185.2 restriction does not apply if the issuer is the portal operator.

185.3 (d) A portal operator shall provide the administrator with read-only access to
185.4 administrative sections of the MNvest portal.

185.5 (e) A portal operator shall comply with the record-keeping requirements of this
185.6 paragraph, provided that the failure of a portal operator that is not an issuer to maintain
185.7 records in compliance with this paragraph shall not affect the MNvest issuer's exemption
185.8 from registration afforded by this section:

185.9 (1) a portal operator shall maintain and preserve, for a period of five years from either
185.10 the date of the closing or termination of the securities offering, the following records:

185.11 (i) the name of each issuer whose securities have been listed on its MNvest portal;

185.12 (ii) the full name, residential address, Social Security number, date of birth, and
185.13 copy of a state-issued identification for all owners with greater than ten percent voting
185.14 equity in an issuer;

185.15 (iii) copies of all offering materials that have been displayed on its MNvest portal;

185.16 (iv) the names and other personal information of each purchaser who has registered
185.17 at its MNvest portal;

185.18 (v) any agreements and contracts between the portal operator and the issuer; and

185.19 (vi) any information used to establish that a MNvest issuer, prospective MNvest
185.20 purchaser, or MNvest purchaser is a Minnesota resident;

185.21 (2) a portal operator shall, upon written request of the administrator, furnish to the
185.22 administrator any records required to be maintained and preserved under this subdivision;

185.23 (3) the records required to be kept and preserved under this subdivision must be
185.24 maintained in a manner, including by any electronic storage media, that will permit the
185.25 immediate location of any particular document so long as such records are available for
185.26 immediate and complete access by representatives of the administrator. Any electronic
185.27 storage system must preserve the records exclusively in a nonrewriteable, nonerasable
185.28 format; verify automatically the quality and accuracy of the storage media recording
185.29 process; serialize the original and, if applicable, duplicate units storage media, and
185.30 time-date for the required period of retention the information placed on such electronic
185.31 storage media; and be able to download indexes and records preserved on electronic
185.32 storage media to an acceptable medium. In the event that a records retention system
185.33 commingles records required to be kept under this subdivision with records not required to
185.34 be kept, representatives of the administrator may review all commingled records; and
185.35 (4) a portal operator shall maintain such other records as the administrator shall
185.36 determine by rule.

186.1 Subd. 8. Portal operator; privacy of purchaser information. (a) For purposes of
186.2 this subdivision, "personal information" means information provided to a portal operator
186.3 by a prospective purchaser or purchaser that identifies, or can be used to identify, the
186.4 prospective purchaser or purchaser.

186.5 (b) Except as provided in paragraph (c), a portal operator must not disclose personal
186.6 information without written or electronic consent from the prospective purchaser or
186.7 purchaser that authorizes the disclosure.

186.8 (c) Paragraph (b) does not apply to:

186.9 (1) records required to be provided to the administrator under subdivision 7,
186.10 paragraph (e);

186.11 (2) the disclosure of personal information to a MNvest issuer relating to its MNvest
186.12 offering; or

186.13 (3) the disclosure of personal information to the extent required or authorized under
186.14 other law.

186.15 Subd. 9. Bad actor disqualification. (a) An exemption under this section is not
186.16 available for a sale if securities in the MNvest issuer; any predecessor of the MNvest
186.17 issuer; any affiliated issuer; any director, executive officer, other officer participating in
186.18 the MNvest offering, general partner, or managing member of the MNvest issuer; any
186.19 beneficial owner of 20 percent or more of the MNvest issuer's outstanding voting equity
186.20 securities, calculated on the basis of voting power; any promoter connected with the
186.21 MNvest issuer in any capacity at the time of the sale; any investment manager of an
186.22 issuer that is a pooled investment fund; any general partner or managing member of any
186.23 investment manager; or any director, executive officer, or other officer participating in
186.24 the offering of any investment manager or general partner or managing member of the
186.25 investment manager:

186.26 (1) has been convicted, within ten years before the offering, or five years, in the case
186.27 of MNvest issuers, their predecessors, and affiliated issuers, of any felony or misdemeanor:

186.28 (i) in connection with the purchase or sale of any security;

186.29 (ii) involving the making of any false filing with the Securities and Exchange
186.30 Commission or a state administrator; or

186.31 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
186.32 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;

186.33 (2) is subject to any order, judgment, or decree of any court of competent jurisdiction,
186.34 entered within five years before the sale, that, at the time of the sale, restrains or enjoins
186.35 the person from engaging or continuing to engage in any conduct or practice:

186.36 (i) in connection with the purchase or sale of any security;

187.1 (ii) involving the making of any false filing with the Securities and Exchange
187.2 Commission or a state administrator; or

187.3 (iii) arising out of the conduct of the business of an underwriter, broker, dealer,
187.4 municipal securities dealer, investment adviser, or paid solicitor of purchasers of securities;

187.5 (3) is subject to a final order of a state securities commission or an agency or officer
187.6 of a state performing like functions; a state authority that supervises or examines banks,
187.7 savings associations, or credit unions; a state insurance commission or an agency or
187.8 officer of a state performing like functions; an appropriate federal banking agency; the
187.9 United States Commodity Futures Trading Commission; or the National Credit Union
187.10 Administration that:

187.11 (i) at the time of the offering, bars the person from:

187.12 (A) association with an entity regulated by the commission, authority, agency, or
187.13 officer;

187.14 (B) engaging in the business of securities, insurance, or banking; or

187.15 (C) engaging in savings association or credit union activities; or

187.16 (ii) constitutes a final order based on a violation of any law or regulation that prohibits
187.17 fraudulent, manipulative, or deceptive conduct entered within ten years before the offering;

187.18 (4) is subject to an order of the Securities and Exchange Commission entered pursuant
187.19 to section 15(b) or 15B(c) of the Securities Exchange Act of 1934, United States Code, title
187.20 15, section 78o(b) or 78o-4(c) or section 203(e) or (f) of the Investment Advisers Act of
187.21 1940, United States Code, title 15, section 80b-3(e) or (f) that, at the time of the offering:

187.22 (i) suspends or revokes the person's registration as a broker, dealer, municipal
187.23 securities dealer, or investment adviser;

187.24 (ii) places limitations on the activities, functions, or operations of the person; or

187.25 (iii) bars the person from being associated with any entity or from participating in
187.26 the offering of any penny stock;

187.27 (5) is subject to any order of the Securities and Exchange Commission or a state
187.28 administrator entered within five years before the sale that, at the time of the sale, orders
187.29 the person to cease and desist from committing or causing a violation or future violation of:

187.30 (i) any scienter-based antifraud provision of the federal securities laws, including
187.31 without limitation section 17(a)(1) of the Securities Act of 1933, United States Code, title
187.32 15, section 77q(a)(1), section 10(b) of the Securities Exchange Act of 1934, United States
187.33 Code, title 15, section 78j(b) and Code of Federal Regulations, title 17, section 240.10b-5,
187.34 section 15(c)(1) of the Securities Exchange Act of 1934, United States Code, title 15,
187.35 section 78o(c)(1) and section 206(1) of the Investment Advisers Act of 1940, United
187.36 States Code, title 15, section 80b-6(1), or any other rule or regulation thereunder; or

188.1 (ii) section 5 of the Securities Act of 1933, United States Code, title 15, section 77e;
188.2 (6) is suspended or expelled from membership in, or suspended or barred from
188.3 association with a member of, a registered national securities exchange or a registered
188.4 national or affiliated securities association for any act or omission to act constituting
188.5 conduct inconsistent with just and equitable principles of trade;

188.6 (7) has filed as a registrant or issuer, or was or was named as an underwriter in, any
188.7 registrations statement or Regulation A offering statement filed with the Securities and
188.8 Exchange Commission or a state administrator that, within five years before the sale, was
188.9 the subject of a refusal order, stop order, or order suspending the Regulation A exemption,
188.10 or is, at the time of the sale, the subject of an investigation or proceeding to determine
188.11 whether a stop order or suspension order should be issued; or

188.12 (8) is subject to a United States Postal Service false representation order entered
188.13 within five years before the offering, or is, at the time of the offering, subject to a
188.14 temporary restraining order or preliminary injunction with respect to conduct alleged by
188.15 the United States Postal Service to constitute a scheme or device for obtaining money or
188.16 property through the mail by means of false representations.

188.17 (b) Paragraph (a) does not apply:

188.18 (1) with respect to any conviction, order, judgment, decree, suspension, expulsion,
188.19 or bar that occurred or was issued before September 23, 2013;

188.20 (2) upon a showing of good cause and without prejudice to any other action by
188.21 the Securities and Exchange Commission or a state administrator, if the Securities and
188.22 Exchange Commission or a state administrator determines that it is not necessary under
188.23 the circumstances that an exemption be denied;

188.24 (3) if, before the relevant offering, the court of regulatory authority that entered the
188.25 relevant order, judgment, or decree advises in writing, whether contained in the relevant
188.26 judgment, order, or decree or separately to the Securities and Exchange Commission or a
188.27 state administrator or their staff, that disqualification under paragraph (a) should not arise
188.28 as a consequence of the order, judgment, or decree; or

188.29 (4) if the MNvest issuer establishes that it did not know and, in the exercise of
188.30 reasonable care, could not have known that a disqualification existed under paragraph (a).

188.31 (c) For purposes of paragraph (a), events relating to any affiliated issuer that occurred
188.32 before the affiliation arose will not be considered disqualifying if the affiliated entity is not:

188.33 (1) in control of the issuer; or

188.34 (2) under common control with the issuer by a third party that was in control of the
188.35 affiliated entity at the time of the events.

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

189.1 Sec. 6. Minnesota Statutes 2014, section 80A.84, is amended to read:

189.2 **80A.84 SECTION 607; PUBLIC RECORDS; CONFIDENTIALITY.**

189.3 (a) **Presumption of public records.** Except as otherwise provided in subsection
189.4 (b), records obtained by the administrator or filed under this chapter, including a record
189.5 contained in or filed with a registration statement, application, notice filing, or report, are
189.6 public records and are available for public examination.

189.7 (b) **Nonpublic records.** The following records are not public records and are not
189.8 available for public examination under subsection (a):

189.9 (1) a record obtained by the administrator in connection with an audit or inspection
189.10 under section 80A.66(d) or an investigation under section 80A.79;

189.11 (2) a part of a record filed in connection with a registration statement under sections
189.12 80A.49 and 80A.51 through 80A.53 or a record under section 80A.66(d) that contains
189.13 trade secrets or confidential information if the person filing the registration statement or
189.14 report has asserted a claim of confidentiality or privilege that is authorized by law;

189.15 (3) a record that is not required to be provided to the administrator or filed under this
189.16 chapter and is provided to the administrator only on the condition that the record will not
189.17 be subject to public examination or disclosure;

189.18 (4) a nonpublic record received from a person specified in section 80A.85(a);

189.19 (5) any social security number, residential address unless used as a business address,
189.20 and residential telephone number contained in a record that is filed; ~~and~~

189.21 (6) a record obtained by the administrator through a designee of the administrator
189.22 that a rule or order under this chapter determines has been:

189.23 (A) expunged from the administrator's records by the designee; or

189.24 (B) determined to be nonpublic or nondisclosable by that designee if the administrator
189.25 finds the determination to be in the public interest and for the protection of investors; and

189.26 (7) a record furnished to the administrator by a portal operator under section
189.27 80A.461, subdivision 7, paragraph (e).

189.28 (c) **Administrator discretion to disclose.** If disclosure is for the purpose of a civil,
189.29 administrative, or criminal investigation, action, or proceeding or to a person specified
189.30 in section 80A.85(a), the administrator may disclose a record obtained in connection
189.31 with an audit or inspection under section 80A.66(d) or a record obtained in connection
189.32 with an investigation under section 80A.79.

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

189.34 Sec. 7. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

190.1 Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to
190.2 eligible applicants for reimbursable costs.

190.3 (b) The following costs are reimbursable for purposes of this chapter:

190.4 (1) corrective action costs incurred by the applicant and documented in a form
190.5 prescribed by the board, ~~except~~ including the costs related to the physical removal of a
190.6 tank when the removal was requested or ordered by the commissioner as necessary for
190.7 corrective action under this chapter;

190.8 (2) costs that the responsible person is legally obligated to pay as damages to third
190.9 parties for bodily injury, property damage, or corrective action costs incurred by a third
190.10 party caused by a release where the responsible person's liability for the costs has been
190.11 established by a court order or court-approved settlement; and

190.12 (3) up to 180 days of interest costs associated with the financing of corrective action
190.13 and incurred by the applicant in a written extension of credit or loan that has been signed by
190.14 the applicant and executed after July 1, 2002, provided that the applicant documents that:

190.15 (i) the interest costs are incurred as a result of an extension of credit or loan from a
190.16 financial institution; and

190.17 (ii) the board has not considered the application within the applicable time frame
190.18 specified in subdivision 2a, paragraph (c).

190.19 Interest costs meeting the requirements of this clause are eligible only when they are
190.20 incurred between the date a complete initial application is received by the board, or the
190.21 date a complete supplemental application is received by the board, and the date that the
190.22 board first notifies the applicant of its reimbursement determination. An application is
190.23 complete when the information reasonably required or requested by the board's staff
190.24 from the applicant has been received by the board's staff. Interest costs are not eligible
190.25 for reimbursement to the extent they exceed two percentage points above the adjusted
190.26 prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the
190.27 extension of credit or loan was executed.

190.28 (c) A cost for liability to a third party is incurred by the responsible person when an
190.29 order or court-approved settlement is entered that sets forth the specific costs attributed
190.30 to the liability. Except as provided in this paragraph, reimbursement may not be made
190.31 for costs of liability to third parties until all eligible corrective action costs have been
190.32 reimbursed. If a corrective action is expected to continue in operation for more than one
190.33 year after it has been fully constructed or installed, the board may estimate the future
190.34 expense of completing the corrective action and, after subtracting this estimate from the
190.35 total reimbursement available under subdivision 3, reimburse the costs for liability to third
190.36 parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

191.1 **EFFECTIVE DATE.** This section is effective July 1, 2015, and applies to
191.2 applications for reimbursement pending or received on or after that date, including those
191.3 that include tank removal costs previously denied payment by the board.

191.4 Sec. 8. Minnesota Statutes 2014, section 216B.1694, subdivision 3, is amended to read:

191.5 Subd. 3. **Staging and permitting.** (a) A natural gas-fired plant, and biomass or
191.6 other feedstock gasification facilities and related fuel or other conversion facilities, that is
191.7 are located on one site designated as an innovative energy project site under subdivision
191.8 1, clause (3), is are accorded the regulatory incentives granted to an innovative energy
191.9 project under subdivision 2, clauses (1) to (3), and may exercise the authorities therein.

191.10 (b) Following issuance of a final state or federal environmental impact statement for
191.11 an innovative energy project that was a subject of contested case proceedings before an
191.12 administrative law judge:

191.13 (1) site and route permits and water appropriation approvals for an innovative energy
191.14 project must also be deemed valid for a plant meeting the requirements of paragraph (a)
191.15 and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required
191.16 state or federal preconstruction permit is issued or (ii) June 30, 2019; and

191.17 (2) no air, water, or other permit issued by a state agency that is necessary for
191.18 constructing an innovative energy project may be the subject of contested case hearings,
191.19 notwithstanding Minnesota Rules, parts 7000.1750 to 7000.2200.

191.20 Sec. 9. Minnesota Statutes 2014, section 332.31, subdivision 3, is amended to read:

191.21 Subd. 3. **Collection agency.** "Collection agency" means and includes any person
191.22 engaged in the business of collection for others any account, bill or other indebtedness
191.23 except as hereinafter provided. It includes persons who furnish collection systems carrying
191.24 a name which simulates the name of a collection agency and who supply forms or form
191.25 letters to be used by the creditor, even though such forms direct the debtor to make payments
191.26 directly to the creditor rather than to such fictitious agency. The term also includes any
191.27 person engaged in a business the principal purpose of which is the collection of any debts.

191.28 Sec. 10. Minnesota Statutes 2014, section 332.31, subdivision 6, is amended to read:

191.29 Subd. 6. **Collector.** "Collector" is a person acting under the authority of a collection
191.30 agency under subdivision 3, and on its behalf in the business of collection for others an
191.31 account, bill, or other indebtedness except as otherwise provided in this chapter. The term
191.32 includes a person acting under the authority of a collection agency under subdivision 3
191.33 that is engaged in a business the principal purpose of which is the collection of any debts.

192.1 Sec. 11. Laws 2014, chapter 312, article 2, section 14, is amended to read:

192.2 Sec. 14. **ASSIGNED RISK TRANSFER.**

192.3 (a) By June 30, 2015, if the commissioner of commerce determines on the basis of
192.4 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
192.5 Statutes, section 79.252, the commissioner of management and budget shall transfer
192.6 the amount of the excess surplus, not to exceed \$10,500,000, to the general fund. This
192.7 transfer occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision
192.8 1, paragraph (a), clause (1). This is a onetime transfer.

192.9 (b) By June 30, 2015, and each year thereafter, if the commissioner of commerce
192.10 determines on the basis of an audit that there is an excess surplus in the assigned risk plan
192.11 created under Minnesota Statutes, section 79.252, the commissioner of management and
192.12 budget shall transfer the amount of the excess surplus, not to exceed \$4,820,000 each
192.13 year, to the Minnesota minerals 21st century fund under Minnesota Statutes, section
192.14 116J.423. This transfer occurs prior to any transfer under Minnesota Statutes, section
192.15 79.251, subdivision 1, paragraph (a), clause (1), but after the transfer authorized in
192.16 paragraph (a). The total amount authorized for all transfers under this paragraph must not
192.17 exceed \$24,100,000. This paragraph expires the day following the transfer in which the
192.18 total amount transferred under this paragraph to the Minnesota minerals 21st century
192.19 fund equals \$24,100,000.

192.20 (c) By June 30, 2015, if the commissioner of commerce determines on the basis of
192.21 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
192.22 Statutes, section 79.252, the commissioner of management and budget shall transfer the
192.23 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
192.24 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
192.25 paragraph (a), clause (1), but after any transfers authorized in paragraphs (a) and (b). If
192.26 a transfer occurs under this paragraph, the amount transferred is appropriated from the
192.27 general fund in fiscal year 2015 to the commissioner of labor and industry for the purposes
192.28 of section 15. Both the transfer and appropriation under this paragraph are onetime. The
192.29 appropriation in this paragraph is available until June 30, 2018.

192.30 (d) By June 30, 2016, if the commissioner of commerce determines on the basis of
192.31 an audit that there is an excess surplus in the assigned risk plan created under Minnesota
192.32 Statutes, section 79.252, the commissioner of management and budget shall transfer the
192.33 amount of the excess surplus, not to exceed \$4,820,000, to the general fund. This transfer
192.34 occurs prior to any transfer under Minnesota Statutes, section 79.251, subdivision 1,
192.35 paragraph (a), clause (1), but after the transfers authorized in paragraphs (a) and (b). If
192.36 a transfer occurs under this paragraph, the amount transferred is appropriated from the

193.1 general fund in fiscal year 2016 to the commissioner of labor and industry for the purposes
193.2 of section 15. Both the transfer and appropriation under this paragraph are onetime. The
193.3 appropriation in this paragraph is available until June 30, 2019.

193.4 (e) Notwithstanding Minnesota Statutes, section 16A.28, the commissioner of
193.5 management and budget shall transfer to the assigned risk plan under Minnesota Statutes,
193.6 section 79.252, any unencumbered or unexpended balance of the appropriations under
193.7 paragraphs (c) and (d) remaining on June 30, 2017, or the date the commissioner of
193.8 commerce determines that an excess surplus in the assigned risk plan does not exist,
193.9 whichever occurs earlier.

193.10 Sec. 12. **PUBLIC UTILITY SOLAR PROJECT.**

193.11 The public utility for a solar project by or in cooperation with the public utility and
193.12 the Minnesota Army National Guard at a military and civilian training facility in Morrison
193.13 County must install when completing the solar project only solar photovoltaic modules that:

193.14 (1) meet the "Made in Minnesota" qualification requirements under Minnesota
193.15 Statutes, section 216C.413;

193.16 (2) comply with the "Made in USA" standard established by the United States
193.17 Federal Trade Commission because all or virtually all of the product's significant parts
193.18 and processing are of United States origin;

193.19 (3) provide local economic benefits derived from the purchase and use of modules
193.20 manufactured in-state;

193.21 (4) demonstrate the manufacturer's and supplier's total combined experience as
193.22 supported by evidence of years of solar manufacturing experience, manufacturing
193.23 certifications, component sourcing criteria, testing, and number of years of actual field
193.24 experience;

193.25 (5) have the projected performance of the solar modules over an expected life of 30
193.26 years or more as supported by product design, third-party lab testing, and manufacturer's
193.27 and component supplier's field experience;

193.28 (6) have the projected durability, safety, and reliability of the solar modules over an
193.29 expected life of 30 years or more, as supported by product design, third-party lab testing,
193.30 and manufacturer's and component supplier's field experience;

193.31 (7) offer a minimum ten-year solar module workmanship warranty and 30-year solar
193.32 module power warranty, with a minimum warranted power performance of 80 percent
193.33 in year 30; and

193.34 (8) provide a third-party certification supporting the environmental sustainability of
193.35 module component sources and manufacturing processes.

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

194.2 Sec. 13. **PREPURCHASING PROPANE; REPORT.**

194.3 (a) The commissioner of commerce shall conduct a study of the operation of the
194.4 propane prepurchase program under Minnesota Statutes, section 216B.0951. The study
194.5 must address:

194.6 (1) the amount and price of propane prepurchased;

194.7 (2) the locations where prepurchased propane was stored and any costs of storage;

194.8 (3) a description of how the propane was distributed to customers, focusing on the
194.9 activities of the local agencies that deliver energy assistance and propane distributors;

194.10 (4) a description of any obstacles that interfered with the efficient operation of the
194.11 program, and suggestions for overcoming those obstacles; and

194.12 (5) an estimate of the savings that accrued to propane customers as a result of the
194.13 prepurchase program.

194.14 (b) By January 1 of 2016 and 2017, the commissioner of commerce shall submit a
194.15 report containing the information required under this section for the previous calendar year
194.16 to the chairs and ranking minority members of the senate and house of representatives
194.17 committees with primary responsibility for energy policy.

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

194.19 Sec. 14. **COMPETITIVE RATE FOR ENERGY-INTENSIVE,**
194.20 **TRADE-EXPOSED ELECTRIC UTILITY CUSTOMER.**

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

194.23 (b) "Clean energy technology" is energy technology that generates electricity from a
194.24 carbon neutral generating resource including, but not limited to, solar, wind, hydroelectric,
194.25 and biomass.

194.26 (c) "Energy-intensive trade-exposed customer" is defined to include:

194.27 (1) an iron mining extraction and processing facility, including a scam mining
194.28 facility as defined in Minnesota Rules, part 6130.0100, subpart 16;

194.29 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
194.30 manufacturer;

194.31 (3) a steel mill and related facilities;

194.32 (4) a retail customer of an investor-owned electric utility that has facilities under a
194.33 single electric service agreement that (i) collectively imposes a peak electrical demand of

195.1 at least 10,000 kilowatts on the electric utility's system, and (ii) has a combined annual
195.2 average load factor in excess of 80 percent; and

195.3 (5) any other retail customer of an investor-owned electric utility that is subject to
195.4 globally competitive pressures and whose electric energy costs are at least ten percent of
195.5 the customer's overall cost of production.

195.6 (d) "EITE rate schedule" means a rate schedule under which an investor-owned
195.7 electric utility may set terms of service to an individual or group of energy-intensive
195.8 trade-exposed customers.

195.9 (e) "EITE rate" means the rate or rates offered by the investor-owned electric utility
195.10 under an EITE rate schedule.

195.11 Subd. 2. **Rates and terms of EITE rate schedule.** (a) It is the energy policy of the
195.12 state of Minnesota to ensure competitive electric rates for energy-intensive trade-exposed
195.13 customers. To achieve this objective, an investor-owned electric utility shall have the
195.14 ability to propose various EITE rate options under an EITE rate schedule that include,
195.15 but are not limited to, fixed-rates, market-based rates, and rates to encourage utilization
195.16 of new clean energy technology.

195.17 (b) Notwithstanding Minnesota Statutes, section 216B.03, 216B.05, 216B.06,
195.18 216B.07, or 216B.16, the commission shall, upon a finding of net benefit to the utility or
195.19 the state, approve an EITE rate schedule and any corresponding EITE rate.

195.20 (c) The commission shall make a final determination in a proceeding begun under
195.21 this section within 90 days of a miscellaneous rate filing by the electric utility.

195.22 (d) Upon approval of any EITE rate schedule, the utility shall create a separate
195.23 account to track the difference in revenue between what would have been collected under
195.24 the electric utility's applicable standard tariff and the EITE rate schedule. In its next
195.25 general rate case or through an EITE cost recovery rate rider between general rate cases,
195.26 the commission shall allow the utility to recover any costs, including reduced revenues, or
195.27 refund any savings, including increased revenues, associated with providing service to a
195.28 customer under an EITE rate schedule. The utility shall not recover any costs or refund
195.29 any savings under this section from any energy-intensive trade-exposed customer or any
195.30 low-income residential ratepayers as defined in Minnesota Statutes, section 216B.16,
195.31 subdivision 15.

195.32 Subd. 3. **Low-income funding.** Upon the filing of a utility for approval of an EITE
195.33 rate schedule under this section, the filing utility must deposit \$10,000 into an account
195.34 devoted to funding a program approved by the commission under Minnesota Statutes,
195.35 section 216B.16, subdivision 15. The funds shall be used to expand the outreach of the
195.36 commission-approved affordability program.

196.1 **ARTICLE 9**196.2 **IRON RANGE RESOURCES**

196.3 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 1, is amended to read:

196.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
196.5 revenue of a district is defined as follows:

196.6 (1) the amount needed to produce between five and six percent in excess of the
196.7 amount needed to meet when due the principal and interest payments on the obligations
196.8 of the district for eligible projects according to subdivision 2, including the amounts
196.9 necessary for repayment of energy loans according to section 216C.37 or sections 298.292
196.10 to 298.298, debt service loans and capital loans, lease purchase payments under section
196.11 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision
196.12 5, paragraph (a), minus

196.13 (2) the amount of debt service excess levy reduction for that school year calculated
196.14 according to the procedure established by the commissioner.

196.15 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

196.16 (1) obligations under section 123B.61;

196.17 (2) the part of debt service principal and interest paid from the taconite ~~environmental~~
196.18 ~~protection~~ economic development fund or Douglas J. Johnson economic protection trust,
196.19 excluding the portion of taconite payments from the Iron Range school consolidation and
196.20 cooperatively operated school account under section 298.28, subdivision 7a;

196.21 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
196.22 amended by Laws 1992, chapter 499, article 5, section 24;

196.23 (4) obligations under section 123B.62; and

196.24 (5) obligations equalized under section 123B.535.

196.25 (c) For purposes of this section, if a preexisting school district reorganized under
196.26 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
196.27 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
196.28 service equalization aid must be computed separately for each of the preexisting districts.

196.29 (d) For purposes of this section, the adjusted net tax capacity determined according
196.30 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property
196.31 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

196.32 Sec. 2. Minnesota Statutes 2014, section 298.018, subdivision 1, is amended to read:

197.1 Subdivision 1. **Within taconite assistance area.** The proceeds of the tax paid under
197.2 sections 298.015 and 298.016 on ores, metals, or minerals mined or extracted within the
197.3 taconite assistance area defined in section 273.1341, shall be allocated as follows:

197.4 (1) five percent to the city or town within which the minerals or energy resources
197.5 are mined or extracted, or within which the concentrate was produced. If the mining
197.6 and concentration, or different steps in either process, are carried on in more than one
197.7 taxing district, the commissioner shall apportion equitably the proceeds among the
197.8 cities and towns by attributing 50 percent of the proceeds of the tax to the operation of
197.9 mining or extraction, and the remainder to the concentrating plant and to the processes of
197.10 concentration, and with respect to each thereof giving due consideration to the relative
197.11 extent of the respective operations performed in each taxing district;

197.12 (2) ten percent to the taconite municipal aid account to be distributed as provided
197.13 in section 298.282;

197.14 (3) ten percent to the school district within which the minerals or energy resources
197.15 are mined or extracted, or within which the concentrate was produced. If the mining
197.16 and concentration, or different steps in either process, are carried on in more than one
197.17 school district, distribution among the school districts must be based on the apportionment
197.18 formula prescribed in clause (1);

197.19 (4) 20 percent to a group of school districts comprised of those school districts
197.20 wherein the mineral or energy resource was mined or extracted or in which there is a
197.21 qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion
197.22 to school district indexes as follows: for each school district, its pupil units determined
197.23 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
197.24 average adjusted net tax capacity per pupil unit for school districts receiving aid under
197.25 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
197.26 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
197.27 Each district shall receive that portion of the distribution which its index bears to the sum
197.28 of the indices for all school districts that receive the distributions;

197.29 (5) 20 percent to the county within which the minerals or energy resources are
197.30 mined or extracted, or within which the concentrate was produced. If the mining and
197.31 concentration, or different steps in either process, are carried on in more than one county,
197.32 distribution among the counties must be based on the apportionment formula prescribed in
197.33 clause (1), provided that any county receiving distributions under this clause shall pay one
197.34 percent of its proceeds to the Range Association of Municipalities and Schools;

197.35 (6) 20 percent to St. Louis County acting as the counties' fiscal agent to be
197.36 distributed as provided in sections 273.134 to 273.136;

198.1 (7) five percent to the Iron Range Resources and Rehabilitation Board for the
198.2 purposes of section 298.22;

198.3 (8) three percent to the Douglas J. Johnson economic protection trust fund; and

198.4 (9) seven percent to the taconite ~~environmental protection~~ economic development
198.5 fund.

198.6 The proceeds of the tax shall be distributed on July 15 each year.

198.7 Sec. 3. Minnesota Statutes 2014, section 298.22, subdivision 1, is amended to read:

198.8 Subdivision 1. **The Office of the Commissioner of Iron Range resources**
198.9 **and rehabilitation.** (a) The Office of the Commissioner of Iron Range resources and
198.10 rehabilitation is created as an agency in the executive branch of state government. The
198.11 governor shall appoint the commissioner of Iron Range resources and rehabilitation under
198.12 section 15.06.

198.13 (b) The commissioner may hold other positions or appointments that are not
198.14 incompatible with duties as commissioner ~~of Iron Range resources and rehabilitation~~. The
198.15 commissioner may appoint a deputy commissioner. All expenses of the commissioner,
198.16 including the payment of staff and other assistance as may be necessary, must be paid
198.17 out of the amounts appropriated by section 298.28 or otherwise made available by law
198.18 to the commissioner. Notwithstanding chapters 16A, 16B, and 16C, the commissioner
198.19 may utilize contracting options available under section 471.345 when the commissioner
198.20 determines it is in the best interest of the agency. The agency is not subject to sections
198.21 16E.016 and 16C.05.

198.22 (c) When the commissioner determines that distress and unemployment exists or
198.23 may exist in the future in any county by reason of the removal of natural resources or
198.24 a possibly limited use of natural resources in the future and any resulting decrease in
198.25 employment, the commissioner may use whatever amounts of the appropriation made to
198.26 the commissioner of revenue in section 298.28 that are determined to be necessary and
198.27 proper in the development of the remaining resources of the county and in the vocational
198.28 training and rehabilitation of its residents, ~~except that the amount needed to cover cost~~
198.29 ~~overruns awarded to a contractor by an arbitrator in relation to a contract awarded by~~
198.30 ~~the commissioner or in effect after July 1, 1985, is appropriated from the general fund.~~
198.31 For the purposes of this section, "development of remaining resources" includes, but is
198.32 not limited to, the promotion of tourism.

198.33 (d) Notwithstanding any law to the contrary, any money in any account that is under
198.34 control of the commissioner on January 1, 2014, shall remain with the agency and be used
198.35 for economic development purposes or public infrastructure.

199.1 Sec. 4. Minnesota Statutes 2014, section 298.22, subdivision 3, is amended to read:

199.2 Subd. 3. **Commissioner may acquire property.** Whenever the commissioner of
199.3 Iron Range resources and rehabilitation has made determinations required by subdivision
199.4 1 and has determined that ~~distress and unemployment exists or may exist in the future~~
199.5 ~~in any county by reason of the removal of the natural resources or a possible limited use~~
199.6 ~~thereof in the future and the decrease in employment resulting therefrom and deems that~~
199.7 economic conditions might be improved through the acquirement of real estate or personal
199.8 ~~property is necessary and proper in the development of the remaining resources, the~~
199.9 commissioner may acquire such property or interests therein by gift, purchase, or lease.
199.10 The commissioner may purchase insurance to protect any property acquired from loss or
199.11 damage by fire, or to protect the commissioner from any liability the commissioner may
199.12 incur by reason of ownership of the property, or both. If after such property is acquired it
199.13 is necessary in the judgment of the commissioner to acquire a right-of-way for access to
199.14 projects operated on property acquired by gift, purchase, or lease, said right-of-way may
199.15 be acquired by condemnation in the manner provided by law. If the owner or operator of
199.16 an iron mine or related production or beneficiation facilities discontinues the operation
199.17 of the mine or facilities for any reason, the commissioner may acquire any or all of the
199.18 mine lands and related facilities by gift, purchase, lease, or condemnation in the manner
199.19 provided in chapter 117.

199.20 Sec. 5. Minnesota Statutes 2014, section 298.22, subdivision 4, is amended to read:

199.21 Subd. 4. **Commissioner may accept grants and conveyances.** Whenever property
199.22 has been granted and conveyed to the state of Minnesota in accordance with an agreement
199.23 made by the commissioner of Iron Range resources and rehabilitation and the commissioner
199.24 of administration for the necessary and proper development of the remaining resources of
199.25 any distressed county or economic development purposes, such grants, and conveyances
199.26 or leases are hereby accepted in accordance with the terms and conditions thereof.

199.27 Sec. 6. Minnesota Statutes 2014, section 298.22, subdivision 5, is amended to read:

199.28 Subd. 5. **Commissioner may lease property.** In order to carry out the terms and
199.29 provisions of this section, the commissioner of Iron Range resources and rehabilitation
199.30 and the commissioner of administration may lease any property acquired hereunder for
199.31 a term not to exceed 20 years upon such terms as they may determine, provided that
199.32 such property shall not be leased to any person in such a manner as to constitute a direct
199.33 contribution of working capital to a business enterprise. Such lease may provide that in the
199.34 event the property is ever sold by the state to such lessee, the lessee may obtain a credit

200.1 on the purchase price covering the rentals paid under the lease or any renewals thereof
200.2 and that said real estate can be conveyed by the commissioner of Iron Range resources
200.3 and rehabilitation and the commissioner of administration and the said commissioners
200.4 are hereby authorized to make such conveyances. The commissioner may lease, upon the
200.5 terms determined by the commissioner and approved by the board, surface and mineral
200.6 interests owned or acquired by the state of Minnesota acting by and through the Office
200.7 of the Commissioner of Iron Range Resources and Rehabilitation. The payments and
200.8 royalties from the leases shall be retained for the benefit of the agency.

200.9 Sec. 7. Minnesota Statutes 2014, section 298.22, subdivision 6, is amended to read:

200.10 Subd. 6. **Private entity participation.** The board may acquire an equity interest in
200.11 any project for which it provides funding. The commissioner may establish, participate in
200.12 the management of, and dispose of the assets of charitable foundations, nonprofit limited
200.13 liability companies, and nonprofit corporations associated with any project for which it
200.14 provides funding, including specifically, but without limitation, a corporation within the
200.15 meaning of section 317A.011, subdivision 6. Notwithstanding any law to the contrary,
200.16 agency funds that are transferred to any entity established by the commissioner under this
200.17 subdivision shall, upon request by the entity, be invested by the State Board of Investment
200.18 on behalf of the entity.

200.19 Sec. 8. Minnesota Statutes 2014, section 298.22, subdivision 10, is amended to read:

200.20 Subd. 10. **Sale or privatization of functions.** The commissioner of ~~Iron Range~~
200.21 ~~resources and rehabilitation~~ may not sell or privatize the Ironworld Discovery Center or
200.22 Giants Ridge Golf and Ski Resort without prior approval by the board.

200.23 Sec. 9. Minnesota Statutes 2014, section 298.22, subdivision 11, is amended to read:

200.24 Subd. 11. **Budgeting.** The commissioner of ~~Iron Range resources and rehabilitation~~
200.25 shall annually prepare a budget for operational expenditures, programs, and projects,
200.26 and submit it to the Iron Range Resources and Rehabilitation Board. After the budget
200.27 is approved by the board and the governor, the commissioner may spend money in
200.28 accordance with the approved budget.

200.29 Sec. 10. Minnesota Statutes 2014, section 298.221, is amended to read:

200.30 **298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

200.31 (a) Except as provided in paragraph (c), all money paid to the state of Minnesota
200.32 pursuant to the terms of any contract entered into by the state under authority of section

201.1 298.22 and any fees which may, in the discretion of the commissioner of Iron Range
 201.2 resources and rehabilitation, be charged in connection with any project pursuant to that
 201.3 section as amended, shall be deposited in the state treasury to the credit of the Iron Range
 201.4 Resources and Rehabilitation Board account in the special revenue fund and are hereby
 201.5 appropriated for the purposes of section 298.22.

201.6 (b) Notwithstanding section 16A.013, merchandise may be accepted by the
 201.7 commissioner of the Iron Range Resources and Rehabilitation Board for payment of
 201.8 advertising contracts if the commissioner determines that the merchandise can be used
 201.9 for special event prizes or mementos at facilities operated by the board. Nothing in this
 201.10 paragraph authorizes the commissioner or a member of the board to receive merchandise
 201.11 for personal use.

201.12 (c) All fees charged by the commissioner in connection with public use of the
 201.13 state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other
 201.14 revenues derived by the commissioner from the operation or lease of those facilities
 201.15 and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge
 201.16 Recreation Area must be deposited into an Iron Range Resources and Rehabilitation
 201.17 Board account that is created within the state enterprise fund. All funds deposited in the
 201.18 enterprise fund account are appropriated to the commissioner to be expended, subject to
 201.19 approval by the board, as follows:

201.20 (1) to pay costs associated with the construction, equipping, operation, repair, or
 201.21 improvement of the Giants Ridge Recreation Area facilities or lands;

201.22 (2) to pay principal, interest and associated bond issuance, reserve, and servicing
 201.23 costs associated with the financing of the facilities; and

201.24 (3) to pay the costs of any other project authorized under section 298.22.

201.25 Sec. 11. Minnesota Statutes 2014, section 298.2211, subdivision 3, is amended to read:

201.26 Subd. 3. **Project approval.** All projects authorized by this section shall be
 201.27 submitted by the commissioner to the Iron Range Resources and Rehabilitation Board for
 201.28 approval by the board. Prior to the commencement of a project involving the exercise by
 201.29 the commissioner of any authority of sections 469.174 to 469.179, the governing body
 201.30 of each municipality in which any part of the project is located and the county board of
 201.31 any county containing portions of the project not located in an incorporated area shall by
 201.32 majority vote approve or disapprove the project. ~~Any project approved by the board and~~
 201.33 ~~the applicable governing bodies, if any, together with detailed information concerning the~~
 201.34 ~~project, its costs, the sources of its funding, and the amount of any bonded indebtedness to~~
 201.35 ~~be incurred in connection with the project, shall be transmitted to the governor, who shall~~

202.1 ~~approve, disapprove, or return the proposal for additional consideration within 30 days of~~
 202.2 ~~receipt.~~ No project authorized under this section shall be undertaken, and no obligations
 202.3 shall be issued and no tax increments shall be expended for a project authorized under this
 202.4 section until the project has been approved by the governor. The governor shall approve,
 202.5 disapprove, or return the project for additional consideration within 30 days of receipt.

202.6 Sec. 12. Minnesota Statutes 2014, section 298.222, is amended to read:

202.7 **298.222 CITATION.**

202.8 Sections 298.222 to 298.226 and Laws 1977, chapter 423, article 10, section 22 shall
 202.9 be known as the Taconite ~~Environmental Protection~~ Economic Development Fund Act
 202.10 of 1977.

202.11 Sec. 13. Minnesota Statutes 2014, section 298.223, is amended to read:

202.12 **298.223 TACONITE AREA ~~ENVIRONMENTAL PROTECTION~~**
 202.13 **ECONOMIC DEVELOPMENT FUND.**

202.14 Subdivision 1. **Creation; purposes.** A fund called the taconite ~~environmental~~
 202.15 ~~protection~~ economic development fund is created for the purpose of reclaiming, restoring
 202.16 and enhancing those areas of northeast Minnesota located within the taconite assistance
 202.17 area defined in section 273.1341, that are adversely affected by the environmentally
 202.18 damaging operations involved in mining taconite and iron ore and producing iron ore
 202.19 concentrate and for the purpose of promoting the economic development of northeast
 202.20 Minnesota. The taconite ~~environmental protection~~ economic development fund shall be
 202.21 used for the following purposes:

202.22 (1) to initiate investigations into matters the Iron Range Resources and Rehabilitation
 202.23 Board determines are in need of study and which will determine the environmental
 202.24 problems requiring remedial action;

202.25 (2) reclamation, restoration, or reforestation of mine lands not otherwise provided
 202.26 for by state law;

202.27 (3) local economic development projects but only if those projects are approved by
 202.28 the board, and public works, including construction of sewer and water systems located
 202.29 within the taconite assistance area defined in section 273.1341;

202.30 (4) monitoring of mineral industry related health problems among mining employees;

202.31 (5) local public works projects under section 298.227, paragraph (c); and

202.32 (6) local public works projects as provided under this clause. The following amounts
 202.33 shall be distributed in 2009 based upon the taxable tonnage of production in 2008:

202.34 (i) .4651 cent per ton to the city of Aurora for street repair and renovation;

- 203.1 (ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure
 203.2 improvements to the south side industrial site;
- 203.3 (iii) .6460 cent per ton to the city of Buhl for street repair;
- 203.4 (iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;
- 203.5 (v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure
 203.6 upgrades;
- 203.7 (vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure
 203.8 upgrades;
- 203.9 (vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;
- 203.10 (viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility
 203.11 modifications for the miners' memorial;
- 203.12 (ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;
- 203.13 (x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;
- 203.14 (xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;
- 203.15 (xii) .6460 cent per ton to the town of Balkan for community center repairs;
- 203.16 (xiii) .9044 cent per ton to the city of Babbitt for city garage construction;
- 203.17 (xiv) .5168 cent per ton to the city of Cook for public infrastructure projects;
- 203.18 (xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;
- 203.19 (xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;
- 203.20 (xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;
- 203.21 (xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;
- 203.22 (xix) .3230 cent per ton to Lake County for trail construction;
- 203.23 (xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand
 203.24 Marais;
- 203.25 (xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure
 203.26 improvements;
- 203.27 (xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;
- 203.28 (xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer
 203.29 improvements along Gayley Avenue;
- 203.30 (xxiv) .3876 cent per ton to the city of Marble for construction of a city
 203.31 administration facility;
- 203.32 (xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the
 203.33 community center;
- 203.34 (xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure
 203.35 upgrades;

204.1 (xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades
204.2 along Depot Street;

204.3 (xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter
204.4 improvements;

204.5 (xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer
204.6 infrastructure upgrades at Pokegema Golf Course and Park Place;

204.7 (xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades
204.8 for 1st Avenue from River Road to 3rd Street SE; and

204.9 (xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing
204.10 at Highway 2 and County Road 62.

204.11 Subd. 2. **Administration.** (a) The taconite area ~~environmental protection~~ economic
204.12 development fund shall be administered by the commissioner of the Iron Range Resources
204.13 and Rehabilitation Board. The commissioner shall by September 1 of each year submit to
204.14 the board a list of projects to be funded from the taconite area ~~environmental protection~~
204.15 economic development fund, with such supporting information including description of
204.16 the projects, plans, and cost estimates as may be necessary.

204.17 (b) Each year no less than one-half of the amounts deposited into the taconite
204.18 ~~environmental protection~~ economic development fund must be used for public works
204.19 projects, including construction of sewer and water systems, as specified under subdivision
204.20 1, clause (3). The Iron Range Resources and Rehabilitation Board may waive the
204.21 requirements of this paragraph.

204.22 (c) Upon approval by the board, the list of projects approved under this subdivision
204.23 shall be submitted to the governor by November 1 of each year. By December 1 of each
204.24 year, the governor shall approve or disapprove, or return for further consideration, each
204.25 project. Funds for a project may be expended only upon approval of the project by the
204.26 board and the governor. The commissioner may submit supplemental projects to the
204.27 board and governor for approval at any time.

204.28 Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of
204.29 Iron Range resources and rehabilitation taconite area ~~environmental protection~~ economic
204.30 development funds necessary to carry out approved projects and programs and the funds
204.31 necessary for administration of this section. Annual administrative costs, not including
204.32 detailed engineering expenses for the projects, shall not exceed five percent of the amount
204.33 annually expended from the fund.

204.34 Funds for the purposes of this section are provided by section 298.28, subdivision
204.35 11, relating to the taconite area ~~environmental protection~~ economic development fund.

205.1 Sec. 14. Minnesota Statutes 2014, section 298.225, subdivision 2, is amended to read:

205.2 Subd. 2. **Funding guaranteed distribution level.** The money necessary for funding
 205.3 the difference between the initial distribution made pursuant to section 298.28 and the
 205.4 amount guaranteed in subdivision 1 is appropriated in equal proportions from the initial
 205.5 current year distributions to the taconite ~~environmental protection~~ economic development
 205.6 fund and to the Douglas J. Johnson economic protection trust pursuant to section 298.28.
 205.7 If the initial distributions to the taconite ~~environmental protection~~ economic development
 205.8 fund and the Douglas J. Johnson economic protection trust are insufficient to fund the
 205.9 difference, the commissioner of Iron Range resources and rehabilitation shall make the
 205.10 payments of any remaining difference from the corpus of the taconite ~~environmental~~
 205.11 ~~protection~~ economic development fund and the corpus of the Douglas J. Johnson economic
 205.12 protection trust fund in equal proportions as directed by the commissioner of revenue.

205.13 If a taconite producer ceases beneficiation operations permanently and is required
 205.14 by a special law to make bond payments for a school district, the Douglas J. Johnson
 205.15 economic protection trust fund shall assume the payments of the taconite producer if
 205.16 the producer ceases to make the needed payments. The commissioner of Iron Range
 205.17 resources and rehabilitation shall make these school bond payments from the corpus of
 205.18 the Douglas J. Johnson economic protection trust fund in the amounts certified by the
 205.19 commissioner of revenue.

205.20 Sec. 15. Minnesota Statutes 2014, section 298.227, is amended to read:

205.21 **298.227 TACONITE ECONOMIC DEVELOPMENT MINING**
 205.22 **REINVESTMENT FUND.**

205.23 (a) An amount equal to that distributed pursuant to each taconite producer's taxable
 205.24 production and qualifying sales under section 298.28, subdivision 9a, shall be held by
 205.25 the Iron Range Resources and Rehabilitation Board in a separate ~~taconite economic~~
 205.26 ~~development~~ mining reinvestment fund for each taconite and direct reduced ore producer.
 205.27 Money from the fund for each producer shall be released by the commissioner after review
 205.28 by a joint committee consisting of an equal number of representatives of the salaried
 205.29 employees and the nonsalaried production and maintenance employees of that producer.
 205.30 The District 11 director of the United States Steelworkers of America, on advice of each
 205.31 local employee president, shall select the employee members. In nonorganized operations,
 205.32 the employee committee shall be elected by the nonsalaried production and maintenance
 205.33 employees. The review must be completed no later than six months after the producer
 205.34 presents a proposal for expenditure of the funds to the committee. The funds held pursuant
 205.35 to this section may be released only for workforce development and associated public

206.1 facility improvement, or for acquisition of plant and stationary mining equipment and
206.2 facilities for the producer or for research and development in Minnesota on new mining, or
206.3 taconite, iron, or steel production technology, but only if the producer provides a matching
206.4 expenditure equal to the amount of the distribution to be used for the same purpose
206.5 beginning with distributions in 2014. Effective for proposals for expenditures of money
206.6 from the fund beginning May 26, 2007, the commissioner may not release the funds before
206.7 the next scheduled meeting of the board. If a proposed expenditure is not approved by the
206.8 board, the funds must be deposited in the ~~Taconite Environmental Protection Fund~~ taconite
206.9 economic development fund under sections 298.222 to 298.225. If a producer uses money
206.10 which has been released from the fund prior to May 26, 2007 to procure haulage trucks,
206.11 mobile equipment, or mining shovels, and the producer removes the piece of equipment
206.12 from the taconite tax relief area defined in section 273.134 within ten years from the date
206.13 of receipt of the money from the fund, a portion of the money granted from the fund must
206.14 be repaid to the ~~taconite economic development~~ mining reinvestment fund. The portion
206.15 of the money to be repaid is 100 percent of the grant if the equipment is removed from
206.16 the taconite tax relief area within 12 months after receipt of the money from the fund,
206.17 declining by ten percent for each of the subsequent nine years during which the equipment
206.18 remains within the taconite tax relief area. If a taconite production facility is sold after
206.19 operations at the facility had ceased, any money remaining in the fund for the former
206.20 producer may be released to the purchaser of the facility on the terms otherwise applicable
206.21 to the former producer under this section. If a producer fails to provide matching funds
206.22 for a proposed expenditure within six months after the commissioner approves release
206.23 of the funds, the funds are available for release to another producer in proportion to the
206.24 distribution provided and under the conditions of this section. Any portion of the fund
206.25 which is not released by the commissioner within one year of its deposit in the fund shall
206.26 be divided between the taconite ~~environmental protection~~ economic development fund
206.27 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
206.28 created in section 298.292 for placement in their respective special accounts. Two-thirds of
206.29 the unreleased funds shall be distributed to the taconite ~~environmental protection~~ economic
206.30 development fund and one-third to the Douglas J. Johnson economic protection trust fund.

206.31 ~~(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of~~
206.32 ~~distributions and the review process, an amount equal to ten cents per taxable ton of~~
206.33 ~~production in 2007, for distribution in 2008 only, that would otherwise be distributed~~
206.34 ~~under paragraph (a), may be used for a loan or grant for the cost of providing for a~~
206.35 ~~value-added wood product facility located in the taconite tax relief area and in a county~~
206.36 ~~that contains a city of the first class. This amount must be deducted from the distribution~~

207.1 under paragraph (a) for which a matching expenditure by the producer is not required. The
207.2 granting of the loan or grant is subject to approval by the board. If the money is provided
207.3 as a loan, interest must be payable on the loan at the rate prescribed in section 298.2213,
207.4 subdivision 3. (ii) Repayments of the loan and interest, if any, must be deposited in the
207.5 taconite environment protection fund under sections 298.222 to 298.225. If a loan or
207.6 grant is not made under this paragraph by July 1, 2012, the amount that had been made
207.7 available for the loan under this paragraph must be transferred to the taconite environment
207.8 protection fund under sections 298.222 to 298.225. (iii) Money distributed in 2008 to the
207.9 fund established under this section that exceeds ten cents per ton is available to qualifying
207.10 producers under paragraph (a) on a pro rata basis.

207.11 (e) Repayment or transfer of money to the taconite environmental protection fund
207.12 under paragraph (b), item (ii), must be allocated by the Iron Range Resources and
207.13 Rehabilitation Board for public works projects in house legislative districts in the same
207.14 proportion as taxable tonnage of production in 2007 in each house legislative district, for
207.15 distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution
207.16 in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph
207.17 do not require approval by the governor. For purposes of this paragraph, "house legislative
207.18 districts" means the legislative districts in existence on May 15, 2009.

207.19 Sec. 16. Minnesota Statutes 2014, section 298.28, subdivision 4, is amended to read:

207.20 Subd. 4. **School districts.** (a) 32.15 cents per taxable ton, plus the increase provided
207.21 in paragraph (d), less the amount that would have been computed under Minnesota
207.22 Statutes 2008, section 126C.21, subdivision 4, for the current year for that district, must be
207.23 allocated to qualifying school districts to be distributed, based upon the certification of the
207.24 commissioner of revenue, under paragraphs (b), (c), and (f).

207.25 (b)(i) 3.43 cents per taxable ton must be distributed to the school districts in which
207.26 the lands from which taconite was mined or quarried were located or within which the
207.27 concentrate was produced. The distribution must be based on the apportionment formula
207.28 prescribed in subdivision 2.

207.29 (ii) Four cents per taxable ton from each taconite facility must be distributed to
207.30 each affected school district for deposit in a fund dedicated to building maintenance
207.31 and repairs, as follows:

207.32 (1) proceeds from Keewatin Taconite or its successor are distributed to Independent
207.33 School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor
207.34 districts;

208.1 (2) proceeds from the Hibbing Taconite Company or its successor are distributed to
208.2 Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor
208.3 districts;

208.4 (3) proceeds from the Mittal Steel Company and Minntac or their successors are
208.5 distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia,
208.6 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

208.7 (4) proceeds from the Northshore Mining Company or its successor are distributed
208.8 to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior,
208.9 or their successor districts; and

208.10 (5) proceeds from United Taconite or its successor are distributed to Independent
208.11 School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their
208.12 successor districts.

208.13 Revenues that are required to be distributed to more than one district shall be
208.14 apportioned according to the number of pupil units identified in section 126C.05,
208.15 subdivision 1, enrolled in the second previous year.

208.16 (c)(i) 24.72 cents per taxable ton, less any amount distributed under paragraph (e),
208.17 shall be distributed to a group of school districts comprised of those school districts which
208.18 qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a
208.19 qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion
208.20 to school district indexes as follows: for each school district, its pupil units determined
208.21 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
208.22 average adjusted net tax capacity per pupil unit for school districts receiving aid under
208.23 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
208.24 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
208.25 Each district shall receive that portion of the distribution which its index bears to the sum
208.26 of the indices for all school districts that receive the distributions.

208.27 (ii) Notwithstanding clause (i), each school district that receives a distribution
208.28 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
208.29 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
208.30 severed mineral values after reduction for any portion distributed to cities and towns
208.31 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its
208.32 levy reduction under section 126C.48, subdivision 8, for the second year prior to the
208.33 year of the distribution shall receive a distribution equal to the difference; the amount
208.34 necessary to make this payment shall be derived from proportionate reductions in the
208.35 initial distribution to other school districts under clause (i). If there are insufficient tax
208.36 proceeds to make the distribution provided under this paragraph in any year, money must

209.1 be transferred from the taconite property tax relief account in subdivision 6, to the extent
209.2 of the shortfall in the distribution.

209.3 (d)(1) Any school district described in paragraph (c) where a levy increase pursuant
209.4 to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in
209.5 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175
209.6 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second
209.7 previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8
209.8 percent times the district's taxable net tax capacity in 2011.

209.9 (2) Districts qualifying under paragraph (c) must receive additional taconite aid each
209.10 year equal to 22.5 percent of the amount obtained by subtracting:

209.11 (i) 1.8 percent of the district's net tax capacity for 2011, from:

209.12 (ii) the district's weighted average daily membership for fiscal year 2012, multiplied
209.13 by the sum of:

209.14 (A) \$415, plus

209.15 (B) the district's referendum revenue allowance for fiscal year 2013.

209.16 If the total amount provided by paragraph (d) is insufficient to make the payments
209.17 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
209.18 so as not to exceed the funds available. Any amounts received by a qualifying school
209.19 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
209.20 education aid which the district receives pursuant to section 126C.13 or the permissible
209.21 levies of the district. Any amount remaining after the payments provided in this paragraph
209.22 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
209.23 deposit the same in the taconite ~~environmental protection~~ economic development fund and
209.24 the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

209.25 Each district receiving money according to this paragraph shall reserve the lesser of
209.26 the amount received under this paragraph or \$25 times the number of pupil units served in
209.27 the district. It may use the money for early childhood programs.

209.28 (e) There shall be distributed to any school district the amount which the school
209.29 district was entitled to receive under section 298.32 in 1975.

209.30 (f) Four cents per taxable ton must be distributed to qualifying school districts
209.31 according to the distribution specified in paragraph (b), clause (ii), and 11 cents per taxable
209.32 ton must be distributed according to the distribution specified in paragraph (c). These
209.33 amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

209.34 Sec. 17. Minnesota Statutes 2014, section 298.28, subdivision 9a, is amended to read:

210.1 Subd. 9a. ~~Taconite economic development~~ Mining reinvestment fund. (a)
210.2 25.1 cents per ton for distributions in 2002 and thereafter must be paid to the ~~taconite~~
210.3 ~~economic development~~ mining reinvestment fund. No distribution shall be made under
210.4 this paragraph in 2004 or any subsequent year in which total industry production falls
210.5 below 30 million tons. Distribution shall only be made to a taconite producer's fund under
210.6 section 298.227 if the producer timely pays its tax under section 298.24 by the dates
210.7 provided under section 298.27, or pursuant to the due dates provided by an administrative
210.8 agreement with the commissioner.

210.9 (b) An amount equal to 50 percent of the tax under section 298.24 for concentrate
210.10 sold in the form of pellet chips and fines not exceeding 5/16 inch in size and not including
210.11 crushed pellets shall be paid to the ~~taconite economic development~~ mining reinvestment
210.12 fund. The amount paid shall not exceed \$700,000 annually for all companies. If the initial
210.13 amount to be paid to the fund exceeds this amount, each company's payment shall be
210.14 prorated so the total does not exceed \$700,000.

210.15 Sec. 18. Minnesota Statutes 2014, section 298.28, subdivision 9d, is amended to read:

210.16 Subd. 9d. **Iron Range higher education account.** (a) Five cents per taxable ton
210.17 must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited
210.18 in an Iron Range higher education account that is hereby created, to be used for higher
210.19 education programs conducted at educational institutions in the taconite assistance area
210.20 defined in section 273.1341. The Iron Range Higher Education committee under section
210.21 298.2214, and the Iron Range Resources and Rehabilitation Board must approve all
210.22 expenditures from the account.

210.23 (b) For distributions in 2015 and subsequent years, at least 2.5 cents per ton must be
210.24 used for the Iron Range engineering program at Mesabi Range College.

210.25 Sec. 19. Minnesota Statutes 2014, section 298.28, subdivision 11, is amended to read:

210.26 Subd. 11. **Remainder.** (a) The proceeds of the tax imposed by section 298.24 which
210.27 remain after the distributions and payments in subdivisions 2 to 10a, as certified by the
210.28 commissioner of revenue, and paragraphs (b), (c), and (d) have been made, together with
210.29 interest earned on all money distributed under this section prior to distribution, shall
210.30 be divided between the taconite ~~environmental protection~~ economic development fund
210.31 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
210.32 created in section 298.292 as follows: Two-thirds to the taconite ~~environmental protection~~
210.33 economic development fund and one-third to the Douglas J. Johnson economic protection
210.34 trust fund. The proceeds shall be placed in the respective special accounts.

211.1 (b) There shall be distributed to each city, town, and county the amount that it
 211.2 received under section 294.26 in calendar year 1977; provided, however, that the amount
 211.3 distributed in 1981 to the unorganized territory number 2 of Lake County and the town
 211.4 of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be
 211.5 distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake
 211.6 County and the towns of Beaver Bay and Stony River based on the miles of track of Erie
 211.7 Mining Company in each taxing district.

211.8 (c) There shall be distributed to the Iron Range Resources and Rehabilitation Board
 211.9 the amounts it received in 1977 under section 298.22. The amount distributed under
 211.10 this paragraph shall be expended within or for the benefit of the taconite assistance area
 211.11 defined in section 273.1341.

211.12 (d) There shall be distributed to each school district 62 percent of the amount that it
 211.13 received under section 294.26 in calendar year 1977.

211.14 Sec. 20. Minnesota Statutes 2014, section 298.28, subdivision 15, is amended to read:

211.15 Subd. 15. **Distribution of delayed payments.** Notwithstanding any other provision
 211.16 of this section or any other law, if payment of taxes collected under section 298.24 is
 211.17 delayed past the due date because the taxpayer is a debtor in a pending bankruptcy
 211.18 proceeding, the amount paid shall be distributed as follows when received:

211.19 (1) 50 percent to St. Louis County acting as the counties' fiscal agent, to be
 211.20 distributed as provided in sections 273.134 to 273.136;

211.21 (2) 25 percent to the Douglas J. Johnson economic protection trust fund; and

211.22 (3) 25 percent to the taconite ~~environmental protection~~ economic development fund.

211.23 Sec. 21. Minnesota Statutes 2014, section 298.292, subdivision 2, is amended to read:

211.24 Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust
 211.25 fund may be used for the following purposes:

211.26 (1) to provide loans, loan guarantees, interest buy-downs and other forms of
 211.27 participation with private sources of financing, but a loan to a private enterprise shall be
 211.28 for a principal amount not to exceed one-half of the cost of the project for which financing
 211.29 is sought, and the rate of interest on a loan to a private enterprise shall be no less than the
 211.30 lesser of eight percent or an interest rate three percentage points less than a full faith
 211.31 and credit obligation of the United States government of comparable maturity, at the
 211.32 time that the loan is approved;

211.33 (2) to fund reserve accounts established to secure the payment when due of the
 211.34 principal of and interest on bonds issued pursuant to section 298.2211;

212.1 ~~(3) to pay in periodic payments or in a lump-sum payment any or all of the interest~~
 212.2 ~~on bonds issued pursuant to chapter 474 for the purpose of constructing, converting,~~
 212.3 ~~or retrofitting heating facilities in connection with district heating systems or systems~~
 212.4 ~~utilizing alternative energy sources;~~

212.5 ~~(4) (3) to invest in a venture capital fund or enterprise that will provide capital~~
 212.6 ~~to other entities that are engaging in, or that will engage in, projects or programs that~~
 212.7 ~~have the purposes set forth in subdivision 1. No investments may be made in a venture~~
 212.8 ~~capital fund or enterprise unless at least two other unrelated investors make investments~~
 212.9 ~~of at least \$500,000 in the venture capital fund or enterprise, and the investment by the~~
 212.10 ~~Douglas J. Johnson economic protection trust fund may not exceed the amount of the~~
 212.11 ~~largest investment by an unrelated investor in the venture capital fund or enterprise. For~~
 212.12 ~~purposes of this subdivision, an "unrelated investor" is a person or entity that is not related~~
 212.13 ~~to the entity in which the investment is made or to any individual who owns more than 40~~
 212.14 ~~percent of the value of the entity, in any of the following relationships: spouse, parent,~~
 212.15 ~~child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of~~
 212.16 ~~the value of all interests in it. For purposes of determining the limitations under this~~
 212.17 ~~clause, the amount of investments made by an investor other than the Douglas J. Johnson~~
 212.18 ~~economic protection trust fund is the sum of all investments made in the venture capital~~
 212.19 ~~fund or enterprise during the period beginning one year before the date of the investment~~
 212.20 ~~by the Douglas J. Johnson economic protection trust fund; and~~

212.21 ~~(5) (4) to purchase forest land in the taconite assistance area defined in section~~
 212.22 ~~273.1341 to be held and managed as a public trust for the benefit of the area for the~~
 212.23 ~~purposes authorized in section 298.22, subdivision 5a. Property purchased under this~~
 212.24 ~~section may be sold by the commissioner upon approval by the board. The net proceeds~~
 212.25 ~~must be deposited in the trust fund for the purposes and uses of this section.~~

212.26 Money from the trust fund shall be expended only in or for the benefit of the taconite
 212.27 assistance area defined in section 273.1341.

212.28 Sec. 22. Minnesota Statutes 2014, section 298.293, is amended to read:

212.29 **298.293 EXPENDING FUNDS.**

212.30 The funds provided by section 298.28, subdivision 11, relating to the Douglas J.
 212.31 Johnson economic protection trust fund, ~~except money expended pursuant to Laws~~
 212.32 ~~1982, Second Special Session, chapter 2, sections 8 to 14, shall be expended only in~~
 212.33 ~~an amount that does not exceed the sum of the net interest, dividends, and earnings~~
 212.34 ~~arising from the investment of the trust for the preceding 12 calendar months from the~~
 212.35 ~~date of the authorization plus, for fiscal year 1983, \$10,000,000 from the corpus of the~~

213.1 ~~fund. The funds~~ may be spent only in ~~or for the benefit of~~ the taconite assistance area as
 213.2 defined in section 273.1341. If during any year the taconite property tax account under
 213.3 sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief
 213.4 specified in Laws 1977, chapter 423, article X, section 4, there is appropriated from this
 213.5 trust fund to the relief account sufficient funds to pay the relief specified in Laws 1977,
 213.6 chapter 423, article X, section 4.

213.7 Sec. 23. Minnesota Statutes 2014, section 298.2961, subdivision 3, is amended to read:

213.8 Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations
 213.9 at the facility had ceased, any money remaining in the taconite environmental fund for the
 213.10 former producer may be released to the purchaser of the facility on the terms otherwise
 213.11 applicable to the former producer under this section.

213.12 (b) Any portion of the taconite environmental fund that is not released by the
 213.13 commissioner within three years of its deposit in the taconite environmental fund shall
 213.14 be divided between the taconite ~~environmental protection~~ economic development fund
 213.15 created in section 298.223 and the Douglas J. Johnson economic protection trust fund
 213.16 created in section 298.292 for placement in their respective special accounts. Two-thirds of
 213.17 the unreleased funds must be distributed to the taconite ~~environmental protection~~ economic
 213.18 development fund and one-third to the Douglas J. Johnson economic protection trust fund.

213.19 Sec. 24. **REPEALER.**

213.20 Minnesota Statutes 2014, section 298.298, is repealed.

213.21 ARTICLE 10

213.22 BUREAU OF MEDIATION SERVICES

213.23 Section 1. Minnesota Statutes 2014, section 13.43, subdivision 6, is amended to read:

213.24 Subd. 6. **Access by labor organizations, the Bureau of Mediation Services,**
 213.25 **and the Public Employment Relations Board.** Personnel data may be disseminated to
 213.26 labor organizations and the Public Employment Relations Board to the extent that the
 213.27 responsible authority determines that the dissemination is necessary to conduct elections,
 213.28 notify employees of fair share fee assessments, and implement the provisions of chapters
 213.29 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public
 213.30 Employment Relations Board, and to the Bureau of Mediation Services to the extent the
 213.31 dissemination is ordered or authorized by the commissioner of the Bureau of Mediation
 213.32 Services, or the Public Employment Relations Board or its designee.

214.1 **EFFECTIVE DATE.** This section is effective July 1, 2015.

214.2 Sec. 2. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

214.3 **Subdivision 1. Definition.** For purposes of this section, "board" means the Public
214.4 Employment Relations Board.

214.5 **Subd. 2. Not public data.** (a) Except as provided in this subdivision, all data
214.6 maintained by the board about a charge or complaint of unfair labor practices and
214.7 appeals of determinations of the commissioner under section 179A.12, subdivision 11,
214.8 are classified as protected nonpublic data or confidential data, and become public when
214.9 admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may
214.10 be subject to a protective order as determined by the board or a hearing officer.

214.11 (b) Notwithstanding sections 13.43 and 181.932, the following data are public:

214.12 (1) the filing date of unfair labor practice charges;

214.13 (2) the status of unfair labor practice charges as an original or amended charge;

214.14 (3) the names and job classifications of charging parties and charged parties;

214.15 (4) the provisions of law alleged to have been violated in unfair labor practice charges;

214.16 (5) the complaint issued by the board and all data in the complaint;

214.17 (6) the full and complete record of an evidentiary hearing before a hearing officer,
214.18 including the hearing transcript, exhibits admitted into evidence, and posthearing briefs,
214.19 unless subject to a protective order;

214.20 (7) recommended decisions and orders of hearing officers pursuant to section
214.21 179A.13, subdivision 1, paragraph (i);

214.22 (8) exceptions to the hearing officer's recommended decision and order filed with the
214.23 board pursuant to section 179A.13, subdivision 1, paragraph (k);

214.24 (9) briefs filed with the board; and

214.25 (10) decisions and orders issued by the board.

214.26 (c) Notwithstanding paragraph (a), individuals have access to their own statements
214.27 provided to the board under paragraph (a).

214.28 (d) The board may make any data classified as protected nonpublic or confidential
214.29 pursuant to this subdivision accessible to any person or party if the access will aid the
214.30 implementation of chapters 179 and 179A or ensure due process protection of the parties.

214.31 **EFFECTIVE DATE.** This section is effective July 1, 2015.

214.32 Sec. 3. **[179.851] LABOR-MANAGEMENT STAKEHOLDER COORDINATION.**

214.33 The commissioner of mediation services shall work with labor-management
214.34 stakeholders, including representatives from existing labor organizations and management

215.1 from existing companies or organizations, to foster mutual understanding and provide
215.2 input on the development of collaborative programs and services designed to improve
215.3 labor-management relations in both public and private sector organizations throughout
215.4 Minnesota. The commissioner may convene informal working groups to provide
215.5 information and assistance and to develop recommendations.

215.6 Sec. 4. Minnesota Statutes 2014, section 179A.041, is amended by adding a
215.7 subdivision to read:

215.8 Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board
215.9 when it is deliberating on the merits of unfair labor practice charges under sections
215.10 179.11, 179.12, and 179A.13; reviewing a recommended decision and order of a hearing
215.11 officer under section 179A.13; reviewing decisions of the commissioner of the Bureau of
215.12 Mediation Services relating to unfair labor practices under section 179A.12, subdivision
215.13 11; or exercising its hiring authority under section 179A.041.

215.14 **EFFECTIVE DATE.** This section is effective July 1, 2015.

215.15 Sec. 5. Minnesota Statutes 2014, section 179A.041, is amended by adding a
215.16 subdivision to read:

215.17 Subd. 11. **Report.** The board shall prepare and submit a report to the governor
215.18 and the chairs and ranking minority members of the committees with jurisdiction over
215.19 the board by November 15, 2016. The report shall summarize the nature, number, and
215.20 resolution of charges filed with the board. The report shall cover the period of July
215.21 1, 2015, through June 30, 2016.

215.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

APPENDIX
Article locations in 15-4224

ARTICLE 1	AGRICULTURE APPROPRIATIONS	Page.Ln 2.24
ARTICLE 2	AGRICULTURE STATUTORY CHANGES	Page.Ln 14.18
	ENVIRONMENT AND NATURAL RESOURCES	
ARTICLE 3	AGRICULTURE APPROPRIATIONS	Page.Ln 49.12
	ENVIRONMENT AND NATURAL RESOURCES STATUTORY	
ARTICLE 4	CHANGES	Page.Ln 75.1
	JOBS, ECONOMIC DEVELOPMENT, AND HOUSING	
ARTICLE 5	AGRICULTURE APPROPRIATIONS	Page.Ln 118.19
ARTICLE 6	DEPARTMENT OF LABOR AND INDUSTRY	Page.Ln 147.15
	DEPARTMENT OF EMPLOYMENT AND ECONOMIC	
ARTICLE 7	DEVELOPMENT	Page.Ln 154.3
ARTICLE 8	DEPARTMENT OF COMMERCE	Page.Ln 175.29
ARTICLE 9	IRON RANGE RESOURCES	Page.Ln 196.1
ARTICLE 10	BUREAU OF MEDIATION SERVICES	Page.Ln 213.21

17.115 SHARED SAVINGS LOAN PROGRAM.

Subdivision 1. **Establishment.** The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction or improved management of inputs, increasing energy production by agricultural producers, and environmental improvements.

Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans for purchase of new or used machinery and installation of equipment for projects that make environmental improvements and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed \$40,000 per individual applying for a loan and may not exceed \$160,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent.

(c) Loans may only be made to residents of this state engaged in farming.

Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, a representative from a postsecondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

- (1) realize savings to the cost of agricultural production;
- (2) reduce or make more efficient use of energy or inputs;
- (3) increase overall farm profitability; and
- (4) result in environmental benefits.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.

Subd. 4. **Administration; information dissemination.** The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.

Subd. 5. **Farm manure digester technology.** Appropriations in Laws 1998, chapter 401, section 6, must be used for revolving loans for demonstration projects of farm manure digester technology. Notwithstanding the limitations of subdivision 2, paragraphs (b) and (c), loans under this subdivision are no-interest loans in principal amounts not to exceed \$200,000 and may be made to any resident of this state. Loans for one or more projects must be made only after the commissioner seeks applications. Loans under this program may be used as a match for federal loans or grants. Money repaid from loans must be returned to the revolving fund for future projects.

28A.15 EXCLUSIONS.

Subd. 9. **Community event or farmers' market.** An individual who prepares and sells food that is not potentially hazardous food, as defined in rules adopted under section 31.11, at a community event or farmers' market with gross receipts of \$5,000 or less in a calendar year from the prepared food items. If the food is not prepared in a kitchen that is licensed or inspected, the seller must post a visible sign or placard stating that: "These products are homemade and not subject to state inspection." Prepared foods sold under this subdivision must be labeled to accurately reflect the name and address of the person preparing and selling the foods.

Subd. 10. **Certain home-processed and home-canned foods.** (a) A person who receives less than \$5,000 in gross receipts in a calendar year from the sale of home-processed and home-canned food products and meets the requirements in clauses (1) to (5):

- (1) the products are pickles, vegetables, or fruits having an equilibrium pH value of 4.6 or lower;
- (2) the products are home-processed and home-canned in Minnesota;

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(3) the products are sold or offered for sale at a community or social event or a farmers' market in Minnesota;

(4) the seller displays at the point of sale a clearly legible sign or placard stating: "These canned goods are homemade and not subject to state inspection" unless the products were processed and canned in a kitchen that is licensed or inspected; and

(5) each container of the product sold or offered for sale under this exemption is accurately labeled to provide the name and address of the person who processed and canned the goods and the date on which the goods were processed and canned.

(b) A person who qualifies for an exemption under paragraph (a) is also exempt from the provisions of sections 31.31 and 31.392.

(c) A person claiming an exemption under this subdivision is urged to:

(1) attend and successfully complete a better process school recognized by the commissioner; and

(2) have the recipe and manufacturing process reviewed by a person knowledgeable in the food canning industry and recognized by the commissioner as a process authority.

(d) The commissioner, in close cooperation with the commissioner of health and the Minnesota Extension Service, shall attempt to maximize the availability of information and technical services and support for persons who wish to home process and home can low acid and acidified food products.

41A.12 AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION PROGRAM.

Subd. 4. **Sunset.** This section expires on June 30, 2015.

84.68 FORESTS FOR THE FUTURE CONSERVATION EASEMENT ACCOUNT.

Subdivision 1. **Account established; sources.** The forests for the future conservation easement account is created in the natural resources fund in the state treasury. The following revenue shall be deposited in the account:

(1) contributions to the account or specified for any purposes of the account;

(2) financial contributions required under section 84.66, subdivision 11, or other applicable law; and

(3) money appropriated or transferred for the purposes described in subdivision 2.

Interest earned on money in the account accrues to the account.

Subd. 2. **Appropriation; purposes of account.** Four percent of the balance on July 1 in the forests for the future conservation easement account is annually appropriated to the commissioner of natural resources and may be spent only to cover the costs of managing forests for the future conservation easements held by the Department of Natural Resources, including costs incurred from monitoring, landowner contracts, record keeping, processing landowner notices, requests for approval or amendments, and enforcement.

86B.13 AQUATIC INVASIVE SPECIES PREVENTION PROGRAM.

Subd. 2. **Aquatic invasive species trailer decal.** The commissioner shall issue an aquatic invasive species trailer decal for each trailer owned by a person that satisfactorily completes the required course of instruction.

Subd. 4. **Aquatic invasive species trailer decal display required.** (a) A person may not transport watercraft or water-related equipment, as defined under section 84D.01, subdivision 18a, with a trailer unless the person has an aquatic invasive species trailer decal issued under this section. Temporary authorizations valid for seven days can be requested by persons that have not completed the required course of instruction.

(b) Aquatic invasive species trailer decals are valid for three years.

(c) The aquatic invasive species trailer decal must be adhered to the side of the trailer frame tongue near the hitch in a manner that it is readily visible and does not interfere with the display of any registration requirements under section 169.79.

(d) Aquatic invasive species trailer decals are not transferable.

(e) Violation of this section shall not result in a penalty, but is punishable only by a warning.

298.298 LONG-RANGE PLAN.

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Consistent with the policy established in sections 298.291 to 298.298, the Iron Range Resources and Rehabilitation Board shall prepare and present to the governor and the legislature by December 31, 2006, a long-range plan for the use of the Douglas J. Johnson economic protection trust fund for the economic development and diversification of the taconite assistance area defined in section 273.1341. No project shall be approved by the Iron Range Resources and Rehabilitation Board which is not consistent with the goals and objectives established in the long-range plan.

Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws 2013, chapter 114, article 3, section 9;

Sec. 3. POLLUTION CONTROL AGENCY

Subd. 6. **Transfers In**

(a) The amounts appropriated from the agency indirect costs account in the special revenue fund are reduced by \$328,000 in fiscal year 2010 and \$462,000 in fiscal year 2011, and those amounts must be transferred to the general fund by June 30, 2011. The appropriation reductions are onetime.

(b) The commissioner of management and budget shall transfer \$48,000,000 in fiscal year 2011 from the closed landfill investment fund in Minnesota Statutes, section 115B.421, to the general fund. The commissioner shall transfer \$9,900,000 on July 1, 2014, \$12,550,000 in each of the years 2015 and 2016, and \$13,000,000 in 2017 from the general fund to the closed landfill investment fund. For each transfer to the closed landfill investment fund, the commissioner shall determine the total amount of interest and other earnings that would have accrued to the fund if the transfers to the general fund under this paragraph had not been made and add this amount to the transfer. The amounts necessary for these transfers are appropriated from the general fund in the fiscal years specified for the transfers.