STATE OF MINNESOTA

EIGHTY-NINTH SESSION — 2016

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 20, 2016

The House of Representatives convened at 12:15 p.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Reverend Ryan Alexander, Hosanna Lutheran Church, Lakeville, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Albright	Dettmer	Hertaus	Lohmer	Nornes	Scott
Allen	Drazkowski	Hilstrom	Loon	Norton	Simonson
Anderson, C.	Ecklund	Hoppe	Loonan	O'Driscoll	Smith
Anderson, P.	Erhardt	Hornstein	Lucero	O'Neill	Swedzinski
Anzelc	Erickson	Hortman	Lueck	Pelowski	Theis
Applebaum	Fabian	Howe	Mack	Peppin	Thissen
Backer	Fenton	Johnson, B.	Mahoney	Persell	Torkelson
Baker	Fischer	Johnson, C.	Marquart	Petersburg	Uglem
Barrett	Flanagan	Johnson, S.	Masin	Peterson	Urdahl
Bernardy	Franson	Kahn	McDonald	Pierson	Vogel
Bly	Freiberg	Kelly	McNamara	Pinto	Wagenius
Carlson	Green	Kiel	Metsa	Poppe	Whelan
Christensen	Gruenhagen	Knoblach	Miller	Pugh	Wills
Clark	Gunther	Koznick	Moran	Quam	Yarusso
Considine	Hackbarth	Kresha	Mullery	Rarick	Youakim
Cornish	Halverson	Laine	Murphy, E.	Rosenthal	Zerwas
Daniels	Hamilton	Lesch	Murphy, M.	Runbeck	Spk. Daudt
Davids	Hancock	Liebling	Nash	Sanders	
Davnie	Hansen	Lien	Nelson	Schoen	
Dean, M.	Hausman	Lillie	Newberger	Schomacker	
Dehn, R.	Heintzeman	Loeffler	Newton	Schultz	

A quorum was present.

Anderson, M.; Anderson, S.; Atkins; Bennett; Garofalo; Isaacson; Mariani; Melin; Selcer; Slocum; Sundin and Ward were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2016 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	*H. F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 2016*	*Date Filed 2016*
2850		84	2:19 p.m. April 18	April 18

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 71, A bill for an act relating to public safety; creating an enhanced penalty for criminal vehicular homicide occurring within ten years of a qualified offense; amending Minnesota Statutes 2014, sections 609.2111; 609.2112, subdivision 1; 609.2114, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 1182, A bill for an act relating to game and fish; requiring online applications for hunting and fishing licenses to provide for organ donation; requiring a report; amending Minnesota Statutes 2014, sections 13.7931, subdivision 6; 171.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"**EFFECTIVE DATE.** This section is effective March 1, 2017."

Page 2, after line 18, insert:

"**EFFECTIVE DATE.** This section is effective March 1, 2017, except that costs incurred by the department to implement this section prior to the effective date are eligible for reimbursement under paragraph (f)."

Page 2, delete section 3

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Davids from the Committee on Taxes to which was referred:

H. F. No. 2515, A bill for an act relating to probate; modifying certain probate provisions; amending Minnesota Statutes 2014, sections 484.73, subdivision 2; 524.1-201; 524.2-102; 524.2-202; 524.2-301; 524.2-403; 524.2-404; 524.2-606; 524.3-406; 524.3-1201; 524.3-1203, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 524.

Reported the same back with the following amendments:

Page 11, delete lines 29 to 31 and insert:

"Subdivision 1. **Permitted purposes.** In order to achieve tax objectives that are clearly provided for in the transferor's will, the court may modify the terms of a governing instrument, in a manner that is not contrary to the transferor's probable intention, to ensure that the governing instrument correctly creates an interest:

(1) in which a surviving spouse has a qualifying income interest with respect to which an election has been or will be made in whole or in part under section 2056(b)(7), 2056A, or 2523(f) of the Internal Revenue Code;

(2) that will qualify for the marital deduction under section 2056 or 2056A of the Internal Revenue Code, by election or otherwise;

(3) that will qualify for the charitable deduction under section 2055, 2522, or 642(c) of the Internal Revenue Code;

(4) that is to be excepted, excluded, or exempt from or under chapter 13 of the Internal Revenue Code pertaining to generation-skipping transfers; or

(5) in a trust that satisfies the criteria for qualified subchapter S trusts under section 1361(d) of the Internal Revenue Code.

Subd. 2. **May be retroactive.** The court may provide that a modification under this section has retroactive effect."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2690, A bill for an act relating to impaired driving; requiring ignition interlock for repeat offenders to reinstate driving privileges; limiting ignition interlock program to alcohol-related offenses; amending Minnesota Statutes 2014, sections 169A.55, subdivision 4; 171.30, subdivisions 1, 2a; 171.306, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 3328, A bill for an act relating to corrections; appropriating money for payment of awards under the Imprisonment and Exoneration Remedies Act.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
IMPRISONMENT AND EXONERATION REMEDIES ACT

Section 1. **EXONERATION AWARDS.**

The amounts in this section are appropriated in fiscal year 2017 from the general fund to the commissioner of management and budget for full payment of final awards of damages against the state under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368. This appropriation is available until June 30, 2017 for payment to:

(1) Michael Ray Hansen in compliance with Supreme Court order (A15-0382) filed February 12, 2016, $916,828.76;

(2) Koua Fong Lee in compliance with Supreme Court order (A15-0111) filed October 30, 2015, $395,148.13; and

(3) Roger Lee Olsen in compliance with Supreme Court order (A15-1178) filed March 7, 2016, $475,000.

ARTICLE 2
INJURY AND MEDICAL CLAIMS

Section 1. **DEPARTMENT OF CORRECTIONS.**

The amounts in this section are appropriated from the general fund to the commissioner of corrections in fiscal year 2017 for full and final payment under Minnesota Statutes, sections 3.738 and 3.739, of claims against the state for losses suffered while incarcerated in a state correctional facility of for injuries suffered by and medical services provided to persons injured while performing community service or sentence-to-service work for correctional purposes or while incarcerated in a state correctional facility. This appropriation is available until June 30, 2017:

(1) for sentence-to-service and community work service claims under $500 and other claims already paid by the department, $608.79;

(2) for payment to Laron Brown for permanent injuries to his left middle finger sustained while performing assigned duties at Minnesota Correctional Facility - Faribault, $2,250;

(3) for payment to medical providers for treatment of Alexsander Cedarblade for injuries sustained while performing sentence-to-service work in Isanti County, $2,398.28;

(4) for payment to medical providers for treatment of Nathan Eckstein for injuries sustained while performing sentence-to-service work in Brown County, $1,083.58; and

(5) for payment to Michael Merrill for permanent injuries to his neck sustained while performing assigned duties at Minnesota Correctional Facility - Stillwater, $4,800.

ARTICLE 3
CLAIMS PROCEDURES AND LIMITS

Section 1. Minnesota Statutes 2014, section 3.736, subdivision 3, is amended to read:

Subd. 3. **Exclusions.** Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) a loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;

(b) a loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) a loss in connection with the assessment and collection of taxes;

(d) a loss caused by snow or ice conditions on a highway or public sidewalk that does not abut a publicly owned building or a publicly owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) a loss caused by wild animals in their natural state, except as provided in section 3.7371;

(f) a loss other than injury to or loss of property or personal injury or death;

(g) a loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, state land that contains idled or abandoned mine pits or shafts, and appurtenances, fixtures, and attachments to land that the state has neither affixed nor improved;

(h) a loss involving or arising out of the use or operation of a recreational motor vehicle, as defined in section 84.90, subdivision 1, within the right-of-way of a trunk highway, as defined in section 160.02, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(i) a loss incurred by a user arising from the construction, operation, or maintenance of the outdoor recreation system, as defined in section 86A.04, or for a loss arising from the construction, operation, maintenance, or administration of grants-in-aid trails as defined in section 85.018, or for a loss arising from the construction, operation, or maintenance of a water access site created by the Iron Range Resources and Rehabilitation Board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person. For the purposes of this clause, a water access site, as defined in section 86A.04 or created by the Iron Range Resources and Rehabilitation Board, that provides access to an idled, water filled mine pit, also includes the entire water filled area of the pit and, further, includes losses caused by the caving or slumping of the mine pit walls;

(j) a loss of benefits or compensation due under a program of public assistance or public welfare, except if state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(k) a loss based on the failure of a person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(l) a loss based on the usual care and treatment, or lack of care and treatment, of a person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(m) loss, damage, or destruction of property of a patient or inmate of a state institution except as provided under section 3.7381;

(n) a loss for which recovery is prohibited by section 169A.48, subdivision 2;

(o) a loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources;

(p) a loss incurred by a visitor to the Minnesota Zoological Garden, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(q) a loss arising out of a person's use of a logging road on public land that is maintained exclusively to provide access to timber on that land by harvesters of the timber, and is not signed or otherwise held out to the public as a public highway; and

(r) a loss incurred by a user of property owned, leased, or otherwise controlled by the Minnesota National Guard or the Department of Military Affairs, except that the state is liable for conduct that would entitle a trespasser to damages against a private person.

The state will not pay punitive damages.

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

Sec. 2. **[3.7381] LOSS, DAMAGE, OR DESTRUCTION OF PROPERTY; STATE INSTITUTIONS; CORRECTIONAL FACILITIES.**

(a) The commissioners of human services, veterans affairs, or corrections, as appropriate, shall determine, adjust, and settle, at any time, claims and demands of $7,000 or less arising from negligent loss, damage, or destruction of property of a patient of a state institution under the control of the commissioner of human services or the commissioner of veterans affairs or an inmate of a state correctional facility.

(b) A claim of more than $7,000, or a claim that was not paid by the appropriate department may be presented to, heard, and determined by the appropriate committees of the senate and the house of representatives and, if approved, shall be paid pursuant to legislative claims procedure.

(c) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies.

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

Sec. 3. Minnesota Statutes 2014, section 3.739, subdivision 2, is amended to read:

Subd. 2. **Evaluation and payment of claims.** Claims of ~~$500~~ $7,000 or less subject to this section shall be investigated by the state or local agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance. The investigating agency shall submit all appropriate claims to the Department of Corrections. Subject to the limitations contained in subdivision 2a, the department shall pay the portion of an approved claim that is not covered by the claimant's insurance. This payment shall be made within a reasonable time. On or before the first day of each legislative session, the department shall submit to the appropriate committees of the senate and the house of representatives a list of the claims paid by it during the preceding calendar year and shall be reimbursed by legislative appropriation for the claims paid. For the purposes of this paragraph, in the case of a juvenile claimant the term "claimant's insurance" includes the insurance of the juvenile's parents if the juvenile is covered by the insurance.

A claim in excess of ~~$500~~ $7,000, and a claim that was not paid by the department may be presented to, heard, and determined by the appropriate committees of the senate and the house of representatives and, if approved, shall be paid pursuant to legislative claims procedure.

No juvenile claimant receiving payment under this section may be identified by name either in the list of claimants submitted by the department or in the legislative appropriation.

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

Sec. 4. Minnesota Statutes 2014, section 3.749, is amended to read:

3.749 LEGISLATIVE CLAIMS; FILING FEE.

A person filing a claim with the joint senate-house of representatives Subcommittee on Claims must pay a filing fee of ~~$5~~ $8. The money must be deposited by the clerk of the subcommittee in the state treasury and credited to the general fund. A claimant who is successful in obtaining an award from the subcommittee shall be reimbursed for the fee paid.

EFFECTIVE DATE. This section is effective July 1, 2016."

Delete the title and insert:

"A bill for an act relating to claims against the state; providing for payment of awards under the Imprisonment and Exoneration Remedies Act; providing for payment of injury and medical claims against the Department of Corrections; appropriating money; providing for claims for loss, damage, or destruction of property of patients or inmates of a state institution; establishing a claim limit of $7,000 for settlement by the commissioners of human services, veterans affairs, or corrections for property claims made by patients or inmates and medical claims made by conditionally released offenders; increasing claims filing fee; amending Minnesota Statutes 2014, sections 3.736, subdivision 3; 3.739, subdivision 2; 3.749; proposing coding for new law in Minnesota Statutes, chapter 3."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3374, A bill for an act relating to health; modifying requirements for the distribution of funds for grants to provide family planning services; specifying the entities eligible for family planning grants; requiring reporting and publication of grant recipients; requiring the commissioner of health to apply for and distribute federal Title X funds for family planning services; amending Minnesota Statutes 2014, sections 145.882, subdivisions 2, 3, 7; 145.925, subdivisions 1, 1a, by adding subdivisions; repealing Minnesota Statutes 2014, section 145.925, subdivisions 2, 9.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

Urdahl from the Committee on Legacy Funding Finance to which was referred:

H. F. No. 3829, A bill for an act relating to legacy funds; amending requirements for requesting parks and trails funds; amending requirements for requesting arts and cultural heritage funds; amending Minnesota Statutes 2015 Supplement, sections 85.53, subdivision 2; 129D.17, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund for the fiscal year indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. The appropriations in this article are onetime.

	APPROPRIATIONS Available for the Year Ending June 30	
	2016	**2017**
Sec. 2. **OUTDOOR HERITAGE FUND**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$107,777,000**

This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Prairies**	-0-	31,000,000

(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VIII

$3,250,000 the second year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VIII

$5,229,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Martin County/Fox Lake Wildlife Management Area Acquisition

$1,000,000 the second year is to the commissioner of natural resources for an agreement with Fox Lake Conservation League, Inc. to acquire land in fee and restore strategic prairie grassland, wetland, and other wildlife habitat for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase VII

$2,754,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements and restore lands within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Cannon River Headwaters Habitat Complex - Phase VI

$583,000 the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire land in fee and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(f) Accelerated Native Prairie Bank Protection - Phase V

$2,541,000 the second year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect and restore native prairie. Of this amount, up to $120,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in

Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(g) Reinvest In Minnesota (RIM) Buffers for Wildlife and Water - Phase VI

$6,708,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore habitat under Minnesota Statutes, section 103F.515, to protect, restore, and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Of this amount, up to $130,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley - Phase II

$2,269,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever, in cooperation with the Minnesota Prairie Chicken Society, to acquire land in fee and restore and enhance lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Grassland Conservation Partnership - Phase II

$1,475,000 the second year is to the commissioner of natural resources for an agreement with The Conservation Fund, in cooperation with Minnesota Land Trust, to acquire permanent conservation easements and restore high priority grassland, prairie, and wetland habitats as follows: $64,000 to The Conservation Fund; and $1,411,000 to Minnesota Land Trust, of which up to $100,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(j) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VIII

$3,983,000 the second year is to the commissioner of natural resources to accelerate restoration and enhancement of prairies, grasslands, and savannas on wildlife management areas, scientific and natural areas, native prairie bank land, and bluff prairies on state forest land in southeastern Minnesota. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Anoka Sandplain Habitat Restoration and Enhancement - Phase IV

$1,208,000 the second year is to the commissioner of natural resources for agreements to restore and enhance wildlife habitat on public lands, excluding state forests, in Anoka, Isanti, Morrison, Sherburne, and Todd Counties as follows: $93,000 to Anoka Conservation District; $25,000 to Isanti County Parks and Recreation Department; $813,000 to Great River Greening; and $277,000 to the National Wild Turkey Federation. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

Subd. 3. **Forests**	-0-	16,309,000

(a) Young Forest Conservation - Phase II

$1,369,000 the second year is to the commissioner of natural resources for an agreement with the American Bird Conservancy to restore publicly owned, permanently protected forest lands for wildlife management purposes. A list of proposed forest land restorations must be provided as part of the required accomplishment plan.

(b) Jack Pine Forest/Crow Wing River Watershed Habitat Acquisition

$1,500,000 the second year is to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to acquire in fee and restore and enhance forest habitat lands in Cass and Hubbard Counties for county forest purposes. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Camp Ripley Partnership - Phase VI

$1,500,000 the second year is to the Board of Water and Soil Resources, in cooperation with the Morrison County Soil and Water Conservation District, to acquire permanent conservation easements and restore forest wildlife habitat within the boundaries of the Minnesota National Guard Camp Ripley Compatible Use Buffer. Of this amount, up to $72,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Southeast Minnesota Protection and Restoration - Phase IV

$5,000,000 the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy, in cooperation with The Trust for Public Land and Minnesota Land Trust, to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5, to acquire land in fee for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7, to acquire permanent conservation easements, and to restore and enhance prairie, grasslands, forest, and savanna as follows: $1,506,000 to The Nature Conservancy; $2,930,000 to The Trust for Public Land; and $564,000 to Minnesota Land Trust, of which up to $80,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Annual income statements and balance sheets for income and expenses from land acquired in fee with this appropriation and not transferred to state or local government ownership must be submitted to the Lessard-Sams Outdoor Heritage Council. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Minnesota Forests for the Future - Phase IV

$1,840,000 the second year is to the commissioner of natural resources to acquire forest, wetland, and shoreline habitat through working forest permanent conservation easements under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66. A conservation easement acquired with money appropriated under this paragraph must comply with Minnesota Statutes, section 97A.056, subdivision 13. The accomplishment plan must include an easement monitoring and enforcement plan. Of this amount, up to $25,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(f) Protect Key Forest Lands in Cass County - Phase VII

$500,000 the second year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat or to prevent forest fragmentation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(g) State Forest Acquisitions - Phase III

$1,000,000 the second year is to the commissioner of natural resources to acquire lands in fee for wildlife habitat purposes under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Forest Habitat Protection Revolving Account

$1,000,000 the second year is to the commissioner of natural resources to acquire lands in fee and permanent conservation easements for wildlife habitat purposes, for forest consolidation and connective corridor purposes, or to prevent forest fragmentation under Minnesota Statutes, section 86A.05, subdivision 7. Proceeds from any subsequent sale of lands acquired with this appropriation must be used for the purposes of this appropriation. Any sale proceeds remaining unused upon close of the appropriation availability must be returned to the outdoor heritage fund. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. Unless otherwise provided, this appropriation is available until June 30, 2022. For acquisition of real property, this appropriation is available until June 30, 2023, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2022, and closed no later than June 30, 2023. Of this amount, up to $50,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(i) Mississippi River Floodplain Forest Enhancement - Phase II

$412,000 the second year is to the commissioner of natural resources for an agreement with the National Audubon Society to restore and enhance floodplain forest habitat for wildlife on public lands along the Mississippi River. A list of restorations and enhancements must be provided as part of the required accomplishment plan.

(j) Protecting Forest Wildlife Habitat in the Wild Rice River Watershed

$2,188,000 the second year is to the commissioner of natural resources to acquire lands in fee in Clearwater County to be managed as a unit of the outdoor recreation system under Minnesota Statutes, chapter 86A. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

Subd. 4. **Wetlands**	-0-	31,055,000

(a) Accelerating the Waterfowl Production Area Acquisition - Phase VIII

$5,650,000 the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire in fee and restore and enhance wetlands and grasslands to be designated and managed as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(b) Shallow Lake and Wetland Protection Program - Phase V

$5,801,000 the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to acquire in fee and restore prairie lands, wetlands, and land buffering shallow lakes for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) RIM Wetlands Partnership - Phase VII

$13,808,000 the second year is to the Board of Water and Soil Resources to acquire lands in permanent conservation easements and to restore wetlands and native grassland habitat under Minnesota Statutes, section 103F.515. Of this amount, up to $195,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(d) Wetland Habitat Protection Program - Phase II

$1,629,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements in high-priority wetland habitat complexes in the prairie and forest/prairie transition regions. Of this amount, up to $180,000 is to establish a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed easement acquisitions must be provided as part of the final report.

(e) Accelerated Shallow Lakes and Wetlands Enhancement - Phase VIII

$2,167,000 the second year is to the commissioner of natural resources to enhance and restore shallow lakes and wetland habitat statewide. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(f) Marsh Lake - Phase II

$2,000,000 the second year is to the commissioner of natural resources to modify the dam at Marsh Lake for improved habitat management and to return the historic outlet of the Pomme de Terre River to Lac Qui Parle.

Subd. 5. **Habitats**	-0-	29,138,000

(a) DNR Aquatic Habitat Protection - Phase VIII

$1,578,000 the second year is to the commissioner of natural resources to acquire land in fee and permanent conservation easements for aquatic management purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to acquire permanent conservation easements under the Minnesota forests for the future program pursuant to Minnesota Statutes, section 84.66, and to restore and enhance aquatic and adjacent upland habitat. Of this amount, up to $153,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions, conservation easements, restorations, and enhancements must be provided as part of the required accomplishment plan.

(b) Metro Big Rivers Habitat - Phase VII

$4,000,000 the second year is to the commissioner of natural resources for agreements to acquire land in fee and permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers within the metropolitan area as follows: $500,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; $430,000 to Friends of the Mississippi River; $1,170,000 to Great River Greening; $800,000 to The Trust for Public Land; and $1,100,000 to Minnesota Land Trust, of which up to $60,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota

Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Mississippi Headwaters Habitat Corridor Partnership - Phase II

$2,105,000 the second year is to the commissioner of natural resources for agreements to acquire lands in fee in the Mississippi Headwaters and for agreements as follows: $76,000 to the Mississippi Headwaters Board; and $2,029,000 to The Trust for Public Land. $1,045,000 the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and to restore wildlife habitat, of which up to $78,000 is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(d) Fisheries Habitat Protection on Strategic North Central Minnesota Lakes - Phase II

$1,425,000 the second year is to the commissioner of natural resources for agreements with the Leech Lake Area Watershed Foundation and Minnesota Land Trust to acquire land in fee and permanent conservation easements to sustain healthy fish habitat on cold water lakes in Aitkin, Cass, Crow Wing, and Hubbard Counties as follows: $480,000 to Leech Lake Area Watershed Foundation; and $945,000 to Minnesota Land Trust, of which up to $180,000 to Minnesota Land Trust is to establish a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VIII

$1,975,000 the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore or enhance habitat for trout and other species in and along cold water rivers, lakes, and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(f) DNR Stream Habitat

$2,074,000 the second year is to the commissioner of natural resources to restore and enhance habitat to facilitate fish passage, degraded streams, and critical aquatic species habitat. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(g) St. Louis River Restoration Initiative - Phase III

$2,707,000 the second year is to the commissioner of natural resources to restore aquatic habitats in the St. Louis River estuary. A list of proposed restorations must be provided as part of the required accomplishment plan.

(h) Sand Hill River Fish Passage - Phase II

$828,000 the second year is to the commissioner of natural resources for an agreement with the Sand Hill River Watershed District, in cooperation with the Department of Natural Resources and Army Corps of Engineers, to restore and enhance fish passage and habitat in the Sand Hill River watershed. A list of proposed restorations must be provided as part of the required accomplishment plan.

(i) Shell Rock River Watershed Habitat Restoration Program - Phase V

$1,200,000 the second year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to acquire in fee, restore, and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(j) Roseau Lake Rehabilitation

$2,763,000 the second year is to the commissioner of natural resources to acquire land in fee and permanent conservation easements for wildlife management purposes in Roseau County under Minnesota Statutes, section 86A.05, subdivision 8, to restore and enhance wildlife habitat. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(k) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase VIII

$7,438,000 the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to $400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, up to $2,500,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding $575,000. Of the total appropriation,

$588,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of $25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land in fee or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, by public ownership, or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2020. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

Subd. 6. **Administration**	-0-	275,000

(a) Contract Management

$150,000 the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide an accomplishment plan in the form specified by the Lessard-Sams Outdoor Heritage Council on the expenditure of this appropriation. The accomplishment plan must include a copy of the grant contract template and reimbursement manual. No money may be expended prior to Lessard-Sams Outdoor Heritage Council approval of the accomplishment plan.

(b) Technical Evaluation Panel

$125,000 the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to 15 restoration and enhancement evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

Subd. 7. **Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2019. For acquisition of real property, the amounts in this section are available until June 30, 2020, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2019, and closed no later than June 30, 2020. Funds for restoration or enhancement are available until June 30, 2021, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives at least 15 percent of its funding from federal funds, the time period of the appropriation may be extended to equal the availability of federal funding to a maximum of six years, provided the federal funding was confirmed and included in the first draft accomplishment plan. Money appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have a minimal impact on habitat in acquired lands.

Subd. 8. **Payment Conditions and Capital Equipment Expenditures**

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2016, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice, or binding agreement with the landowner, and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the

Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of $10,000 must be itemized in and approved as part of the accomplishment plan.

Subd. 9. **Mapping**

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources shall include the lands acquired in fee with money appropriated in this section on maps showing public recreation opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

Subd. 10. **RIM Buffers for Wildlife and Water Restorations**

The following appropriations to the Board of Water and Soil Resources for the RIM buffers for wildlife and water program may be used for restoration of lands acquired by conservation easement with the appropriations:

(1) Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, paragraph (f);

(2) Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (f);

(3) Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (e);

(4) Laws 2012, chapter 264, article 1, section 2, subdivision 2, paragraph (a); and

(5) Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (c).

Subd. 11. **Appropriations Contingent Upon Audit**

The appropriations in this section are not available until the Office of the Legislative Auditor completes its next financial audit of the outdoor heritage fund, anticipated to be completed in 2016, and the legislative auditor has submitted the report required under

Minnesota Statutes, section 97A.056, subdivision 11, paragraph (c), listing noncompliant recipients. A recipient listed in the report may not receive money appropriated in this section until the legislative auditor has removed the recipient from the list as provided under Minnesota Statutes, section 97A.056, subdivision 11, paragraph (c).

Sec. 3. Minnesota Statutes 2014, section 97A.056, subdivision 2, is amended to read:

Subd. 2. **Lessard-Sams Outdoor Heritage Council.** (a) The Lessard-Sams Outdoor Heritage Council of 12 members is created in the legislative branch, consisting of:

(1) two public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two public members appointed by the speaker of the house;

(3) four public members appointed by the governor;

(4) two members of the senate appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and

(5) two members of the house of representatives appointed by the speaker of the house.

(b) Members appointed under paragraph (a) must not be registered lobbyists. In making appointments, the governor, senate Subcommittee on Committees of the Committee on Rules and Administration, and the speaker of the house shall consider geographic balance, gender, age, ethnicity, and varying interests including hunting and fishing. The governor's appointments to the council are subject to the advice and consent of the senate.

(c) Public members appointed under paragraph (a) shall have practical experience or expertise or demonstrated knowledge in the science, policy, or practice of restoring, protecting, and enhancing wetlands, prairies, forests, and habitat for fish, game, and wildlife.

(d) Legislative members appointed under paragraph (a) shall include the chairs of the legislative committees with jurisdiction over environment and natural resources finance or their designee, one member from the minority party of the senate, and one member from the minority party of the house of representatives.

(e) Public members serve four-year terms. Appointed legislative members serve at the pleasure of the appointing authority. Public and legislative members continue to serve until their successors are appointed. Public members shall be initially appointed according to the following schedule of terms:

(1) two public members appointed by the governor for a term ending the first Monday in January 2011;

(2) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2011;

(3) one public member appointed by the speaker of the house for a term ending the first Monday in January 2011;

(4) two public members appointed by the governor for a term ending the first Monday in January 2013;

(5) one public member appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration for a term ending the first Monday in January 2013; and

(6) one public member appointed by the speaker of the house for a term ending the first Monday in January 2013.

(f) Terms, compensation, and removal of public members are as provided in section 15.0575. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term.

(g) ~~The first meeting of the council shall be convened by the chair of the Legislative Coordinating Commission no later than December 1, 2008.~~ Members shall elect a chair, vice-chair, secretary, and other officers as determined by the council. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(h) ~~Upon coordination with~~ The Legislative Coordinating Commission~~, the council~~ may appoint nonpartisan staff and contract with consultants as necessary to ~~carry out~~ support the functions of the council. Up to one percent of the money appropriated from the fund may be used to pay for administrative expenses of the council and for compensation and expense reimbursement of council members.

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

Sec. 4. Minnesota Statutes 2014, section 97A.056, subdivision 10, is amended to read:

Subd. 10. **Restoration and enhancements evaluations.** The commissioner of natural resources and the Board of Water and Soil Resources ~~may~~ must convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration or enhancement, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner may assign a coordinator to identify ~~a sample of up to ten~~ habitat restoration or enhancement projects completed with outdoor heritage funding. The coordinator shall secure the ~~restoration~~ plans for the projects specified and direct the technical evaluation panel to evaluate the restorations and enhancements relative to the law, current science, and the stated goals and standards in the ~~restoration~~ project plan and, when applicable, to the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations and enhancements are meeting planned goals, any problems with the implementation of restorations and enhancements, and, if necessary, recommendations on improving restorations and enhancements. The report shall be focused on improving future restorations and enhancements. At least one-tenth of one percent of forecasted receipts from the outdoor heritage fund must be used for restoration and enhancements evaluations under this section.

Sec. 5. Minnesota Statutes 2014, section 97A.056, is amended by adding a subdivision to read:

Subd. 22. **Local approval of land acquisitions.** A recipient of money appropriated from the outdoor heritage fund that acquires land in fee title with the appropriation must receive county approval prior to acquiring the land. The recipient must follow the process for obtaining county approval under section 97A.145, subdivision 2, paragraph (b).

EFFECTIVE DATE. This section is effective July 1, 2016, and applies to land acquired with money appropriated on or after that date.

Sec. 6. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. **Prairies**	40,948,000	-0-

(a) DNR Wildlife Management Area and Scientific and Natural Area Acquisition - Phase VII

$4,570,000 in the first year is to the commissioner of natural resources to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for scientific and natural area purposes under Minnesota Statutes, section 86A.05, subdivision 5. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land and permanent conservation easement acquisitions must be provided as part of the required accomplishment plan.

(b) Accelerating Wildlife Management Area Acquisition - Phase VII

$7,452,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) Minnesota Prairie Recovery Project - Phase VI

$4,032,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie, wetlands, and savanna and restore and enhance grasslands, wetlands, and savanna. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities identified in the Minnesota Prairie Conservation Plan.

(d) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase ~~V~~ VI

$3,430,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan and must be consistent with the priorities in the Minnesota Prairie Conservation Plan.

(e) Accelerated Native Prairie Bank Protection - Phase IV

$3,740,000 in the first year is to the commissioner of natural resources to implement the Minnesota Prairie Conservation Plan through the acquisition of permanent conservation easements to protect native prairie and grasslands. Up to $165,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. Subject to evaluation criteria in Minnesota Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of permanent conservation easements must be provided as part of the final report.

(f) Minnesota Buffers for Wildlife and Water - Phase V

$4,544,000 in the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements to protect and enhance habitat by expanding the clean water fund riparian buffer program for at least equal wildlife benefits from buffers on private land. Up to $72,500 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(g) Cannon River Headwaters Habitat Complex - Phase V

$1,380,000 in the first year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8. Subject to evaluation criteria in Minnesota

Rules, part 6136.0900, priority must be given to acquisition of lands that are eligible for the native prairie bank under Minnesota Statutes, section 84.96, or lands adjacent to protected native prairie. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(h) Prairie Chicken Habitat Partnership of the Southern Red River Valley

$1,800,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to acquire and restore lands in the southern Red River Valley for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, or for designation and management as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(i) Protecting and Restoring Minnesota's Important Bird Areas

$1,730,000 in the first year is to the commissioner of natural resources for agreements to acquire conservation easements within important bird areas identified in the Minnesota Prairie Conservation Plan, to be used as follows: $408,000 is to Audubon Minnesota and $1,322,000 is to Minnesota Land Trust, of which up to $100,000 is for establishing monitoring and enforcement funds as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(j) Wild Rice River Corridor Habitat Restoration

$2,270,000 in the first year is to the commissioner of natural resources for an agreement with the Wild Rice Watershed District to acquire land in fee and permanent conservation easement and to restore river and related habitat in the Wild Rice River corridor. A list of proposed acquisitions and restorations must be provided as part of the required accomplishment plan.

(k) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase VII

$4,880,000 in the first year is to the commissioner of natural resources to accelerate the restoration and enhancement of prairie communities on wildlife management areas, scientific and natural areas, state forest land, and land under native prairie bank easements. A list of proposed land restorations and enhancements must be provided as part of the required accomplishment plan.

(l) Enhanced Public Land Grasslands - Phase II

$1,120,000 in the first year is to the commissioner of natural resources for an agreement with Pheasants Forever to enhance and restore habitat on public lands. A list of proposed land restorations and enhancements must be provided as part of the final report.

Sec. 7. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **Forests** 12,634,000 -0-

(a) Camp Ripley Partnership - Phase V

$1,500,000 in the first year is to the Board of Water and Soil Resources in cooperation with the Morrison County Soil and Water Conservation District to acquire permanent conservation easements within the boundaries of the Minnesota National Guard Compatible Use Buffer to protect forest wildlife habitat. Up to $55,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of permanent conservation easements must be provided as part of the final report.

(b) Southeast Minnesota Protection and Restoration - Phase III

$2,910,000 in the first year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire land in fee for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8; to acquire land in fee for scientific and natural areas under Minnesota Statutes, section 86A.05, subdivision 5; for state forest purposes under Minnesota Statutes, section 86A.05, subdivision 7; and to enhance grasslands, forest, and savanna. A list of proposed acquisitions must be provided as part of the required accomplishment plan.

(c) Protecting Pinelands Sands Aquifer Forestlands - Phase II

$2,180,000 in the first year is to the commissioner of natural resources to acquire forest lands in Cass, Hubbard, and Wadena Counties for wildlife management purposes under Minnesota Statutes, section 86A.05, subdivision 8, and to acquire land in fee for state forests under Minnesota Statutes, section 86A.05, subdivision 7. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) Protect Key Forest Lands in Cass County - Phase VI

$442,000 in the first year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat or to prevent forest fragmentation. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(e) Critical Shoreland Protection Program - Phase III

$1,690,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Land Trust to acquire permanent conservation easements along rivers and lakes in the northern forest region. Up to $220,000 is for establishing a monitoring and enforcement fund, as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed permanent conservation easements must be provided as part of the required accomplishment plan.

(f) Mississippi Headwaters Habitat Partnership

$3,002,000 in the first year is to the commissioner of natural resources to acquire lands in fee and for permanent conservation easements in the Mississippi Headwaters and for agreements as follows: $1,217,000 to The Trust for Public Land; and $824,000 to Minnesota Land Trust, of which up to $80,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed acquisitions must be included as part of the required accomplishment plan.

(g) Southeast Forest Habitat Enhancement

$910,000 in the first year is to the commissioner of natural resources to enhance forests in southeastern Minnesota. A list of proposed land enhancements must be provided as part of the required accomplishment plan.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2015.

Sec. 8. Laws 2015, First Special Session chapter 2, article 1, section 2, subdivision 5, is amended to read:

Subd. 5. **Habitats**	22,368,000	-0-

(a) DNR Aquatic Habitat - Phase VII

$4,540,000 in the first year is to the commissioner of natural resources to acquire interests in land in fee and permanent conservation easements for aquatic management purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, to acquire interests in land in permanent conservation easements for fish and wildlife habitat under Minnesota Statutes, section 84.66, and to restore and enhance aquatic habitat. Up to $130,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and restorations and enhancements must be provided as part of the required accomplishment plan.

(b) Metro Big Rivers - Phase VI

$2,000,000 in the first year is to the commissioner of natural resources for agreements to acquire land in fee and in permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: $475,000 to Minnesota Valley National Wildlife Refuge Trust, Inc.; $275,000 to Friends of the Mississippi River; $400,000 to Great River Greening; $375,000 to Minnesota Land Trust; and $475,000 to The Trust for Public Land. Up to $60,000 to Minnesota Land Trust is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. A list of proposed land acquisitions and permanent conservation easements must be provided as part of the required accomplishment plan.

(c) Minnesota Trout Unlimited Coldwater Fish Habitat Enhancement and Restoration - Phase VII

$1,890,000 in the first year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance habitat for trout and other species in and along coldwater rivers and streams in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(d) Lake Bemidji South Shore Restoration and Enhancement

$1,650,000 in the first year is to the commissioner of natural resources for an agreement with the city of Bemidji to restore and enhance fish habitat on Lake Bemidji. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) Sand Hill River Fish Passage

$990,000 in the first year is to the commissioner of natural resources for an agreement with the Sand Hill River Watershed District to restore fish habitat in the Sand Hill River watershed. A list of proposed restorations must be provided as part of the required accomplishment plan.

(f) Shell Rock River Watershed Habitat Restoration Program - Phase IV

$2,414,000 in the first year is to the commissioner of natural resources for an agreement with the Shell Rock River Watershed District to protect, restore, and enhance aquatic habitat in the Shell Rock River watershed. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan.

(g) Lake Nokomis Integrated Habitat Enhancement

$444,000 in the first year is to the commissioner of natural resources for an agreement with the Minneapolis Park and Recreation Board to enhance aquatic habitat on Lake Nokomis. A list of proposed enhancements must be provided as part of the required accomplishment plan.

(h) Conservation Partners Legacy Grant Program: Statewide and Metro Habitat - Phase VII

$8,440,000 in the first year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to $400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, or habitat for fish, game, or wildlife in Minnesota. Of this amount, $3,692,000 is for grants in the seven-county metropolitan area and cities with a population of 50,000 or greater. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from the appropriation in this paragraph for projects that have a total project cost exceeding $575,000. Of this appropriation, $596,000 may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Grants may not be used to establish easement stewardship accounts. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by law. The program must require a match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of $25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or a charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority must be given to projects associated with or within one mile of existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; or aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a permanent covenant ensuring perpetual maintenance and protection of restored and enhanced habitat, by a conservation easement, or by public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority must be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, ~~2018~~ 2019. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summary prepared under Minnesota Statutes, section 97A.051, subdivision 2.

ARTICLE 2
PARKS AND TRAILS FUND

Section 1. Minnesota Statutes 2015 Supplement, section 85.53, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) A project or program receiving funding from the parks and trails fund must meet or exceed the constitutional requirement to support parks and trails of regional or statewide significance. A project or program receiving funding from the parks and trails fund must include measurable outcomes, as defined in section 3.303, subdivision 10, and a plan for measuring and evaluating the results. A project or program must be consistent with current science and incorporate state-of-the-art technology, except when the project or program is a portrayal or restoration of historical significance.

(b) Money from the parks and trails fund shall be expended to balance the benefits across all regions and residents of the state.

(c) A state agency or other recipient of a direct appropriation from the parks and trails fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(d) Grants funded by the parks and trails fund must be implemented according to section 16B.98 and must account for all expenditures. Proposals must specify a process for any regranting envisioned. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(e) Money from the parks and trails fund may only be spent on projects located in Minnesota.

(f) When practicable, a direct recipient of an appropriation from the parks and trails fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(g) Future eligibility for money from the parks and trails fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the parks and trails fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the parks and trails fund until the recipient demonstrates compliance to the legislative auditor.

(h) Any entity requesting funding from the legislature for an appropriation from the parks and trails fund must inform the legislature if the entity funded the same project or program, or a similar project or program, after 2006 and how the previous project or program was funded.

ARTICLE 3
ARTS AND CULTURAL HERITAGE FUND

Section 1. Minnesota Statutes 2015 Supplement, section 129D.17, subdivision 2, is amended to read:

Subd. 2. **Expenditures; accountability.** (a) Funding from the arts and cultural heritage fund may be spent only for arts, arts education, and arts access, and to preserve Minnesota's history and cultural heritage. A project or program receiving funding from the arts and cultural heritage fund must include measurable outcomes, and a plan for measuring and evaluating the results. A project or program must be consistent with current scholarship, or best practices, when appropriate and must incorporate state-of-the-art technology when appropriate.

(b) Funding from the arts and cultural heritage fund may be granted for an entire project or for part of a project so long as the recipient provides a description and cost for the entire project and can demonstrate that it has adequate resources to ensure that the entire project will be completed.

(c) Money from the arts and cultural heritage fund shall be expended for benefits across all regions and residents of the state.

(d) A state agency or other recipient of a direct appropriation from the arts and cultural heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section 3.303, subdivision 10, as soon as it becomes available.

(e) Grants funded by the arts and cultural heritage fund must be implemented according to section 16B.98 and must account for all expenditures of funds. Priority for grant proposals must be given to proposals involving grants that will be competitively awarded.

(f) All money from the arts and cultural heritage fund must be for projects located in Minnesota.

(g) When practicable, a direct recipient of an appropriation from the arts and cultural heritage fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section 3.303, subdivision 10.

(h) Future eligibility for money from the arts and cultural heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the arts and cultural heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the arts and cultural heritage fund until the recipient demonstrates compliance to the legislative auditor.

(i) Any entity requesting funding from the legislature for an appropriation from the arts and cultural heritage fund must inform the legislature if the entity funded the same project or program, or a similar project or program, after 2006 and how the previous project or program was funded.

Sec. 2. Laws 2015, First Special Session chapter 2, article 4, section 2, subdivision 3, is amended to read:

Subd. 3. **Minnesota State Arts Board**	26,819,000	31,312,000

(a) These amounts are appropriated to the Minnesota State Arts Board for arts, arts education, arts preservation, and arts access. Grant agreements entered into by the Minnesota State Arts Board and other recipients of appropriations in this subdivision must ensure that these funds are used to supplement and not substitute for traditional sources of funding. Each grant program established within this appropriation must be separately administered from other state appropriations for program planning and outcome measurements, but may take into consideration other state resources awarded in the selection of applicants and grant award size.

(b) **Arts and Arts Access Initiatives**

$21,155,000 the first year and $25,350,000 the second year are to support Minnesota artists and arts organizations in creating, producing, preserving, and presenting high-quality arts activities; to overcome barriers to accessing high-quality arts activities; for the preservation and conservation of art and artifacts; and to instill the arts into the community and public life in this state.

(c) **Arts Education**

$4,248,000 the first year and $4,472,000 the second year are for high-quality, age-appropriate arts education for Minnesotans of all ages to develop knowledge, skills, and understanding of the arts.

(d) **Arts and Cultural Heritage**

$1,416,000 the first year and $1,490,000 the second year are for events and activities that represent the diverse cultural arts traditions, including folk and traditional artists and art organizations, represented in this state.

(e) Up to 4.5 percent of the funds appropriated in paragraphs (b) to (d) may be used by the board for administering grant programs, delivering technical services, providing fiscal oversight for the statewide system, and ensuring accountability.

(f) Up to thirty percent of the remaining total appropriation to each of the categories listed in paragraphs (b) to (d) is for grants to the regional arts councils. Notwithstanding any other provision of law, regional arts council grants or other arts council grants for touring programs, projects, or exhibits must ensure the programs, projects, or exhibits are able to tour in their own region as well as all other regions of the state.

(g) Any unencumbered balance remaining under this section in the first year does not cancel, but is available for the second year of the biennium.

(h) When making grants under this appropriation, the Minnesota State Arts Board and the regional arts council must consider grants to organizations who preserve and maintain art and artifacts, or who provide support, education, or training for the preservation and conservation of art and artifacts, including grants to the Midwest Art Conservation Center."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money from outdoor heritage fund; modifying Lessard-Sams Outdoor Heritage Council provisions; modifying legacy funds provisions; modifying prior appropriations; amending Minnesota Statutes 2014, section 97A.056, subdivisions 2, 10, by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 85.53, subdivision 2; 129D.17, subdivision 2; Laws 2015, First Special Session chapter 2, article 1, section 2, subdivisions 2, 3, 5; article 4, section 2, subdivision 3."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 3931, A bill for an act relating to state government; providing supplemental appropriations; appropriating money to the Departments of Employment and Economic Development, Labor and Industry, and Commerce, and the Housing Finance Agency, Public Utilities Commission, and Explore Minnesota Tourism; modifying utility assessments; creating the emerging entrepreneur fund program; amending Minnesota Statutes 2014, sections 115C.13; 216B.62, subdivision 2, by adding a subdivision; Laws 2015, chapter 71, article 14, section 9; Laws 2015, First Special Session chapter 1, article 1, sections 3, subdivisions 1, 5, 6, 10; 6; 8, subdivisions 1, 7; 9; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **APPROPRIATIONS**

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2015, First Special Session, chapter 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. Appropriations for the fiscal year ending June 30, 2016, are effective the day following final enactment. Reductions may be taken in either fiscal year.

	APPROPRIATIONS Available for the Year Ending June 30	
	2016	**2017**
Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**		
Subdivision 1. **Total Appropriation**	**$-0-**	**$7,653,000**
Subd. 2. **Business and Community Development**		(11,947,000)

(a) $12,000,000 in fiscal year 2017 is a onetime reduction in the general fund appropriation for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. The base funding for this purpose is $5,000,000 in fiscal year 2018 and each fiscal year thereafter.

(b) $8,500,000 in fiscal year 2017 is a onetime reduction in the general fund appropriation for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. The base funding for this program is $7,500,000 in fiscal year 2018 and each fiscal year thereafter.

(c) $1,000,000 in fiscal year 2017 is from the general fund for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation.

(d) $1,000,000 in fiscal year 2017 is from the workforce development fund for a grant to the Neighborhood Development Center for developing and supporting entrepreneurial skills and job creation in communities served by the Neighborhood Development Center. Funds may be used for activities including but not limited to business plan training, business workshops, technical assistance to small business owners, development and support of business incubators, entrepreneurial network development, and the expansion of entrepreneurial capacity in communities. This is a onetime appropriation.

(e) $100,000 in fiscal year 2017 is from the general fund for an easy-to-understand manual to instruct aspiring business owners in how to start a child care business. The commissioner shall work in consultation with relevant state and local agencies and affected stakeholders to produce the manual. The manual must be made available electronically to interested persons. This is a onetime appropriation and is available until June 30, 2019.

(f) $500,000 in fiscal year 2017 is from the workforce development fund for a grant to Enterprise Minnesota, Inc. Of this amount, $250,000 is for the small business growth acceleration program under Minnesota Statutes, section 116O.115, and $250,000 is for operations under Minnesota Statutes, sections 116O.01 to 116O.061. This is a onetime appropriation.

(g) $12,000 in fiscal year 2017 is a reduction in the general fund appropriation for the Upper Minnesota Film Office.

(h) $1,825,000 in fiscal year 2017 is a reduction in the general fund appropriation for the Minnesota Film and TV Board.

(i) $5,000,000 in fiscal year 2017 is from the general fund for the workforce housing grant program in Minnesota Statutes, section 116J.549. This is a onetime appropriation.

(j) $2,290,000 in fiscal year 2017 is from the general fund for a grant to Mille Lacs County to develop and operate the Lake Mille Lacs area economic relief program established in article 2, section 11. This is a onetime appropriation.

(k) $500,000 in fiscal year 2017 is from the general fund for grants to local communities outside of the metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2, to increase the supply of quality child care providers in order to support regional economic development. Grant recipients must match state funds on a dollar-for-dollar basis. Grant funds available under this section must be used to implement solutions to reduce the child care shortage in the state, including but not limited to funding for child care business start-up or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities in greater Minnesota that have documented a shortage of child care providers in the area. This is a onetime appropriation and is available until June 30, 2019.

By September 30, 2017, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

By January 1, 2018, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date.

Subd. 3. **Workforce Development** 3,900,000

(a) $600,000 in fiscal year 2017 is from the workforce development fund for a grant to Ujamaa Place for job training, employment preparation, internships, education, training in the construction trades, housing, and organizational capacity building. This is a onetime appropriation.

(b) $800,000 in fiscal year 2017 is from the workforce development fund for a grant to Latino Communities United in Service (CLUES) to expand culturally tailored programs that address employment and education skill gaps for working parents and underserved youth. Funds must be used to provide new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce generational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of the total grant funds must be used for programming in greater Minnesota. CLUES shall submit a report to the chairs and ranking minority members of the legislative committees and divisions of the senate and house of representatives with primary jurisdiction over jobs with findings of program outcomes by March 1, 2018. The report must include the type, duration, and attendance of each program and quantifiable measures of success. This is a onetime appropriation and is available until June 30, 2019.

(c) $600,000 in fiscal year 2017 is from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. This is onetime appropriation.

(d) $1,000,000 in fiscal year 2017 is from the general fund for a grant to the Construction Careers Foundation for the construction career pathway initiative to provide year-round educational and experiential learning opportunities for teens and young adults under the age of 21 that lead to careers in the construction industry. This is a onetime appropriation and is available until June 30, 2019. Grant funds must be used to:

(1) increase construction industry exposure activities for middle school and high school youth, parents, and counselors to reach a more diverse demographic and broader statewide audience. This requirement includes, but is not limited to, an expansion of programs to provide experience in different crafts to youth and young adults throughout the state;

(2) increase the number of high schools in Minnesota offering construction classes during the academic year that utilize a multicraft curriculum;

(3) increase the number of summer internship opportunities;

(4) enhance activities to support graduating seniors in their efforts to obtain employment in the construction industry;

(5) increase the number of young adults employed in the construction industry and ensure that they reflect Minnesota's diverse workforce; and

(6) enhance an industrywide marketing campaign targeted to youth and young adults about the depth and breadth of careers within the construction industry.

Programs and services supported by grant funds must give priority to individuals and groups that are economically disadvantaged or historically underrepresented in the construction industry, including but not limited to women, veterans, and members of minority and immigrant groups.

(e) $400,000 in fiscal year 2017 is from the general fund for the Youth at Work youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation and is available until June 30, 2018.

(f) $500,000 in fiscal year 2017 is appropriated from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the jobs skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early childhood education. This is a onetime appropriation.

Subd. 4. **Vocational Rehabilitation** 500,000

$500,000 in fiscal year 2017 is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11. This is a onetime appropriation.

Subd. 5. **State Services for the Blind** 200,000

$200,000 in fiscal year 2017 is from the general fund for State Services for the Blind. Funds appropriated must be used to provide services for senior citizens who are becoming blind. At least half of the funds appropriated must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes. This is a onetime appropriation.

Subd. 6. **Broadband Development** 15,000,000

(a) $15,000,000 in fiscal year 2017 is from the general fund for deposit in the border-to-border broadband fund account under Minnesota Statutes, section 116J.396, for the purpose of awarding grants under that section. The base funding for this program is $25,000,000 in fiscal year 2018. These are onetime appropriations.

(b) $500,000 must be awarded to projects that propose to expand the availability and adoption of broadband service to areas that contain a significant proportion of low-income households. For the purposes of this subdivision, "low-income households" means households whose household income is less than or equal to 200 percent of the most recent calculation of the United States federal poverty guidelines published by the federal Department of Health and Human Services, adjusted for family size.

(c) Minnesota Statutes, section 116J.395, subdivision 5a, does not apply to applications for grants under paragraph (b) and does not apply to applications for grants under paragraph (a) in underserved areas.

(d) If grant awards in any area are insufficient to fully expend the funds available for that area, the commissioner may reallocate unexpended funds to other areas.

Sec. 3. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation**	**$-0-**	**$(4,750,000)**
Subd. 2. **Challenge Program**		(5,000,000)

(a) This is a onetime general fund appropriation reduction in fiscal year 2017.

(b) The base funding for this program in fiscal year 2018 and thereafter is $12,925,000.

Subd. 3. **Family Homeless Prevention**		250,000

$250,000 in fiscal year 2017 is from the general fund for grants to eligible applicants to create or expand risk mitigation programs to reduce landlord financial risks for renting to persons eligible under Minnesota Statutes, section 462A.204. Eligible programs may reimburse landlords for costs including but not limited to nonpayment of rent, or damage costs above those costs covered by security deposits. The agency may give higher priority to applicants that can demonstrate a matching amount of money by a local unit of government, business, or nonprofit organization. Grantees must establish a procedure to review and validate claims and reimbursements under this grant program. This is a onetime appropriation.

Sec. 4. **EXPLORE MINNESOTA TOURISM**	**$-0-**	**$800,000**

(a) $300,000 in fiscal year 2017 is from the general fund for a grant to the Mille Lacs Tourism Council to enhance marketing activities related to tourism promotion in the Mille Lacs Lake area. This is a onetime appropriation.

(b) $500,000 in fiscal year 2017 is from the general fund for a pilot project to assist in funding and securing major events benefiting communities throughout the state. The pilot project must measure the economic impact of visitors on state and local economies, increased lodging and nonlodging sales taxes in addition to visitor spending, and increased media awareness of the state as an event destination. This is a onetime appropriation.

Sec. 5. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation**	**$-0-**	**$250,000**
Subd. 2. **Labor Standards and Apprenticeship**		$250,000

$250,000 in fiscal year 2017 is from the general fund for the apprenticeship program under Minnesota Statutes, chapter 178.

Sec. 6. **BUREAU OF MEDIATION SERVICES**	**$-0-**	**$(125,000)**

This is a reduction in the general fund appropriation in fiscal year 2017 for the Public Employment Relations Board.

Sec. 7. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**	**$-0-**	**$(151,000)**
Subd. 2. **Telecommunications**		(376,000)

The base amount for this purpose is $558,000 in fiscal year 2018 and $482,000 in fiscal year 2019.

Subd. 3. **Energy Resources**	-0-	100,000

$100,000 in fiscal year 2017 is from the general fund for energy regulation and planning unit staff. This appropriation is not subject to assessment under Minnesota Statutes, section 216B.62.

Subd. 4. **Insurance**		125,000

$125,000 in fiscal year 2017 is from the general fund for insurance fraud enforcement under Minnesota Statutes, section 45.0135, subdivision 9.

Sec. 8. **PUBLIC UTILITIES COMMISSION**	**$-0-**	**$(56,000)**

(a) Of the amount appropriated, $112,000 in fiscal year 2017 is from the general fund for costs related to implementation of solar energy standards and community solar garden requirements under Laws 2013, chapter 85, and Laws 2015, First Special Session chapter 1, article 3. This appropriation is not subject to assessment under Minnesota Statutes, section 216B.62.

(b) Of the amount in fiscal year 2017, $375,000 is a onetime reduction in the general fund appropriation for telecommunications regulation.

(c) Of the amount appropriated in fiscal year 2017, $207,000 is from the general fund for expenses related to additional Public Utilities Commission members.

(d) The base funding for the Public Utilities Commission is $7,155,000 in fiscal year 2018 and $7,461,000 in fiscal year 2019.

Sec. 9. **PUBLIC FACILITIES AUTHORITY**	**$-0-**	**$11,500,000**

$11,500,000 in fiscal year 2017 is from the general fund for a grant to the Lewis and Clark Joint Powers Board to acquire land, design, engineer, and construct facilities and infrastructure necessary to complete Phase 3 of the Lewis and Clark Regional Water System project, including extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system. This is a onetime appropriation and is not available until the commissioner of management and budget determines that at least $9,000,000 is committed to the Phase 3 of the project from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Sec. 10. Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 3, is amended to read:

Subd. 3. **Workforce Development**

Appropriations by Fund

General	2,189,000	1,789,000
Workforce Development	17,567,000	16,767,000

(a) $1,039,000 each year from the general fund and $3,104,000 each year from the workforce development fund are for the adult workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the adult workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(b) $4,050,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561, to provide employment and career advising to youth, including career guidance in secondary schools, to address the youth career advising deficiency, to carry out activities outlined in Minnesota Statutes, section 116L.561, to provide support services, and to provide work experience to youth in the workforce service areas. The funds in this paragraph may be used for expansion of the pilot program combining career and higher education advising in Laws 2013, chapter 85, article 3, section 27. Activities in workforce services areas under this paragraph may serve all youth up to age 24.

(c) $1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(d) $450,000 each year is from the workforce development fund for a grant to Minnesota Diversified Industries, Inc., to provide progressive development and employment opportunities for people with disabilities.

(e) $3,348,000 each year is from the workforce development fund for the "Youth at Work" youth workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(f) $500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs.

(g) $750,000 each year is from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth jobs skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(h) $250,000 the first year and $250,000 the second year are for pilot programs in the workforce service areas to combine career and higher education advising.

(i) $215,000 each year is from the workforce development fund for a grant to Big Brothers, Big Sisters of the Greater Twin Cities for workforce readiness, employment exploration, and skills development for youth ages 12 to 21. The grant must serve youth in the Twin Cities, Central Minnesota and Southern Minnesota Big Brothers, Big Sisters chapters.

(j) $900,000 in fiscal year 2016 and $1,100,000 in fiscal year 2017 are from the workforce development fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in the seven-county metropolitan area, having fewer than 150 total employees; or at small or medium, for-profit companies located outside of the seven-county metropolitan area, having fewer than 250 total employees. At least 200 students must be matched in the first year and at least 250 students must be matched in the second year. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at $2,500 per intern. The program must work toward increasing the participation among women or other underserved populations.

(k) $50,000 each year is from the workforce development fund for a grant to the St. Cloud ~~Area~~ Somali ~~Salvation~~ Youth Organization for youth development and crime prevention activities. Grant funds may be used to train and place mentors in elementary and secondary schools; for athletic, social, and other activities to foster leadership development; to provide a safe place for participating youth to gather after school, on weekends, and on holidays; and activities to improve the organizational and job readiness skills of participating youth. This is a onetime appropriation and is available until June 30, 2019. Funds appropriated the first year are available for use in the second year of the biennium.

(l) $500,000 each year is for rural career counseling coordinator positions in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. The commissioner, in consultation with local workforce investment boards and local elected officials in each of the service areas receiving funds, shall develop a method of distributing funds to provide equitable services across workforce service areas.

(m) $400,000 in fiscal year 2016 is for a grant to YWCA Saint Paul for training and job placement assistance, including commercial driver's license training, through the job placement and retention program. This is a onetime appropriation.

(n) $800,000 in fiscal year 2016 is from the workforce development fund for the customized training program for manufacturing industries under article 2, section 24. This is a onetime appropriation and is available in either year of the biennium. Of this amount:

(1) $350,000 is for a grant to Central Lakes College for the purposes of this paragraph;

(2) $250,000 is for Minnesota West Community and Technical College for the purposes of this paragraph; and

(3) $200,000 is for South Central College for the purposes of this paragraph.

(o) $500,000 each year is from the workforce development fund for a grant to Resource, Inc. to provide low-income individuals career education and job skills training that are fully integrated with chemical and mental health services.

(p) $200,000 in fiscal year 2016 and $200,000 in fiscal year 2017 are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. This is a onetime appropriation.

(q) $200,000 in fiscal year 2016 is from the workforce development fund for the foreign-trained health care professionals grant program modeled after the pilot program conducted under Laws 2006, chapter 282, article 11, section 2, subdivision 12, to encourage state licensure of foreign-trained health care professionals, including: physicians, with preference given to primary care physicians who commit to practicing for at least five years after licensure in underserved areas of the state; nurses; dentists; pharmacists; mental health professionals; and other allied health care professionals. The commissioner must collaborate with health-related licensing boards and Minnesota workforce centers to award grants to foreign-trained health care professionals sufficient to cover the actual costs of taking a course to prepare health care professionals for required licensing examinations and the fee for the state licensing examinations. When awarding grants, the commissioner must consider the following factors:

(1) whether the recipient's training involves a medical specialty that is in high demand in one or more communities in the state;

(2) whether the recipient commits to practicing in a designated rural area or an underserved urban community, as defined in Minnesota Statutes, section 144.1501;

(3) whether the recipient's language skills provide an opportunity for needed health care access for underserved Minnesotans; and

(4) any additional criteria established by the commissioner.

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

Sec. 11. Laws 2015, First Special Session chapter 1, article 1, section 8, subdivision 8, is amended to read:

Subd. 8. **Insurance**

Appropriations by Fund

General	4,095,000	4,004,000
Workers' Compensation	553,000	553,000

$642,000 each year is for health insurance rate review staffing.

$91,000 in fiscal year 2016 is for the task force on no-fault auto insurance issues.

$125,000 in fiscal year 2017 is for insurance fraud enforcement under Minnesota Statutes, section 45.0135, subdivision 9.

ARTICLE 2
JOBS AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 2, is amended to read:

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law~~, including, in particular, the financing of the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete the next phase of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia, extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian, and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase~~. Grant agreements entered into under this section must provide for reimbursement to the state from any federal money provided for the project, consistent with the Lewis and Clark Regional Water System, Inc., agreement.

(b) The appropriation bonds may be issued and sold only after the commissioner determines that the construction and administration for work done on the project will comply with (1) all federal requirements and regulations associated with the Lewis and Clark Rural Water System Act of 2000, and (2) the cooperative agreement between the United States Department of the Interior and the Lewis and Clark Regional Water System, Inc. Proceeds of the appropriation bonds must be credited to a special appropriation Lewis and Clark bond proceeds fund in the state treasury. All income from investment of the bond proceeds, as estimated by the commissioner, is appropriated to the commissioner for the payment of principal and interest on the appropriation bonds.

(c) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient money to the Public Facilities Authority under subdivision 7, not to exceed $19,000,000 net of costs of issuance, for the purposes as provided under this paragraph ~~(a)~~, and pay debt service including capitalized interest, costs of issuance, costs of credit enhancement, or make payments under other agreements entered into under paragraph (e). The bonds authorized by this paragraph are for the purposes of financing the land acquisition, design, engineering, and construction of facilities and infrastructure necessary to complete Phase 2 of the Lewis and Clark Regional Water System project, including completion of the pipeline to Magnolia; extension of the project to the Lincoln-Pipestone Rural Water System connection near Adrian; and engineering, design, and easement acquisition for the final phase of the project to Worthington. No bonds shall be sold under this subdivision until the commissioner determines that a nonstate match of at least $9,000,000 is committed to this project phase. Upon completion of Phase 2, the unspent, unencumbered portion of the appropriation in this subdivision is available for the purposes of Phase 3, which includes extension of the project from the Lincoln-Pipestone Rural Water System connection near Adrian to Worthington, construction of a reservoir in Nobles County and a meter building in Worthington, and acquiring and installing a supervisory control and data acquisition (SCADA) system.

(d) Appropriation bonds may be issued in one or more issues or series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 25 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(e) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(f) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(g) The appropriation bonds are not subject to chapter 16C.

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 16A.967, subdivision 7, is amended to read:

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds issued under this section and interest credited to the special appropriation Lewis and Clark bond proceeds fund are appropriated ~~to the commissioner~~:

(1) to the Public Facilities Authority for a grant to the Lewis and Clark Joint Powers Board for payment of capital expenses ~~for the purposes provided by~~ as specified in subdivision 2~~, paragraph (a),~~; and

(2) to the commissioner for debt service on the bonds including capitalized interest, nonsalary costs of issuance of the bonds, costs of credit enhancement of the bonds and payments under any agreements entered into under subdivision 2, paragraph (e), each as permitted by state and federal law~~, and such proceeds may be granted, loaned, or otherwise provided for the public purposes provided by subdivision 2, paragraph (a)~~.

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

Sec. 3. Minnesota Statutes 2014, section 116J.548, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section:

(a) "Capital costs" means expenditures for the public acquisition ~~and~~ of land and buildings, betterment of public lands and buildings, and ~~for~~ other publicly owned capital improvements. Capital costs also include expenditures for predesign, design, engineering, and similar activities for specifically identified eligible projects.

(b) "Eligible project" means a development or redevelopment project that will generate economic development within a time frame of five years or less or facilitate the preparation of long-term economic development within a host community.

(c) "Economic development" means assistance in preparation of a redevelopment or development area contained in the application that results in at least one of the following:

(1) job creation, including jobs relating to construction and temporary jobs;

(2) an increase in the tax base~~,~~;

(3) the ~~capacity~~ ability of the eligible project to attract private investment~~, and~~;

(4) long-term economic development;

(5) needed public infrastructure or transportation-related improvements to facilitate long-term redevelopment or development; or

(6) other objective criteria established by the commissioner that demonstrate a public benefit to the host community.

(d) "Host community" means a city located within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, that is the site of a waste disposal facility that meets the standards in section 473.849, that accepts unprocessed mixed municipal solid waste generated in the metropolitan area.

(e) "Long-term economic development" means capital costs associated with economic development projects identified by a host community comprehensive plan or redevelopment plan that will generate eligible economic development.

Sec. 4. Minnesota Statutes 2014, section 116J.548, subdivision 3, is amended to read:

Subd. 3. **Application.** Host communities may apply for a grant under this section on a form and in a manner prescribed by the commissioner. In awarding grants under this section, ~~the commissioner shall give priority to eligible projects that, based on a cost-benefit analysis, provide the highest return on public investment.~~ the commissioner must allocate available money between host communities as evenly as practicable.

Sec. 5. Minnesota Statutes 2014, section 116J.8737, subdivision 3, is amended to read:

Subd. 3. **Certification of qualified investors.** (a) Investors may apply to the commissioner for certification as a qualified investor for a taxable year. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of $350. Application fees are deposited in the small business investment tax credit administration account in the special revenue fund. The application for certification for 2010 must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available on the department's Web site by November 1 of the preceding year.

(b) Within 30 days of receiving an application for certification under this subdivision, the commissioner must either certify the investor as satisfying the conditions required of a qualified investor, request additional information from the investor, or reject the application for certification. If the commissioner requests additional information from the investor, the commissioner must either certify the investor or reject the application within 30 days of receiving the additional information. If the commissioner neither certifies the investor nor rejects the application within 30 days of receiving the original application or within 30 days of receiving the additional information requested, whichever is later, then the application is deemed rejected, and the commissioner must refund the $350 application fee. An investor who applies for certification and is rejected may reapply.

(c) To receive certification, an investor must (1) be a natural person; and (2) certify to the commissioner that the investor will only invest in a transaction that is exempt under section 80A.46, clause (13) or (14), in a security exempt under section 80A.461, or in a security registered under section 80A.50, paragraph (b).

(d) In order for a qualified investment in a qualified small business to be eligible for tax credits, a qualified investor who makes the investment must have applied for and received certification for the calendar year prior to making the qualified investment, except in the case of an investor who is not an accredited investor, within the meaning of Regulation D of the Securities and Exchange Commission, Code of Federal Regulations, title 17, section 230.501, paragraph (a), application for certification may be made within 30 days after making the qualified investment.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 6. Minnesota Statutes 2014, section 116J.8747, subdivision 1, is amended to read:

Subdivision 1. **Grant allowed.** The commissioner may provide a grant to a qualified job training program from money appropriated for the purposes of this section as follows:

(1) ~~a $9,000~~ an $11,000 placement grant paid to a job training program upon placement in employment of a qualified graduate of the program; and

(2) ~~a $9,000~~ an $11,000 retention grant paid to a job training program upon retention in employment of a qualified graduate of the program for at least one year.

Sec. 7. Minnesota Statutes 2014, section 116J.8747, subdivision 2, is amended to read:

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

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

(2) the program must spend ~~at least~~, on average, $15,000 or more per graduate of the program;

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

(i) basic skills, such as reading, writing, mathematics, and communications;

(ii) thinking skills, such as reasoning, creative thinking, decision making, and problem solving; and

(iii) personal qualities, such as responsibility, self-esteem, self-management, honesty, and integrity;

(4) the program ~~must~~ may provide income supplements, when needed, to participants for housing, counseling, tuition, and other basic needs;

(5) the program's education and training course must last for an average of at least six months;

(6) individuals served by the program must:

(i) be 18 years of age or older;

(ii) have federal adjusted gross income of no more than ~~$11,000~~ $12,000 per year in the calendar year immediately before entering the program;

(iii) have assets of no more than ~~$7,000~~ $10,000, excluding the value of a homestead; and

(iv) not have been claimed as a dependent on the federal tax return of another person in the previous taxable year; and

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

Sec. 8. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

Subdivision 1. **Creation; membership.** The Urban Initiative Board is created and consists of the commissioner of employment and economic development, the commissioner of human rights, the chair of the Metropolitan Council, and eight members from the general public appointed by the governor. Six of the public members must be representatives from minority business enterprises. No more than four of the public members may be of one gender. All public members must be experienced in business or economic development.

Sec. 9. Minnesota Statutes 2014, section 383B.142, is amended to read:

383B.142 PROCEDURE.

Subdivision 1. **Delegation of authority.** The county board may by resolution delegate the powers and duties enumerated in sections 383B.141 to ~~383B.151~~ 383B.1511, and those powers and duties necessary to the implementation of the purposes of central purchasing specifying the nature, scope and extent of the delegation. The authority and responsibility subject to delegation shall include, but not be limited to the following:

(a) purchasing and contracting for all goods, materials, supplies, equipment and contracted services, as provided in section 383B.143;

(b) preparation, review, modification and approval of all plans and specifications for goods, materials, supplies, equipment and contracted services;

(c) the transfer of any goods, materials, supplies, equipment or contracted services to or between departments, boards, commissions and agencies;

(d) selling or otherwise disposing of goods, materials, supplies, equipment and contracted services which are unusable or no longer required; and

(e) periodically reviewing and requiring department heads to supply necessary data concerning inventories and surpluses and monitoring compliance by department heads with purchasing laws, rules, regulations and procedures.

Subd. 2. **Administrator's duties.** Notwithstanding the provisions of section 373.02, the county board may delegate its purchasing powers and duties to the county administrator. The county administrator, wherever referred to in sections 383B.141 to ~~383B.151~~ 383B.1511, may designate and delegate a purchasing manager or other person to perform the tasks empowered or assigned to the county administrator. Any purchase in excess of $3,500 shall require the signature of the county administrator or designee.

Sec. 10. **[383B.1511] JOB ORDER CONTRACTING.**

Subdivision 1. **Definitions.** (a) In this section, the definitions in this subdivision apply.

(b) "Job order contracting" means a project delivery method that requests a limited number of bids from a list of qualified contractors, selected from a registry of qualified contractors who have been prescreened and who have entered into master contracts with the county, as provided in this section.

(c) "Project" means an undertaking by the county to construct, alter, maintain, repair, or enlarge a building, structure, road, or bridge, or make other improvements.

(d) "Request for qualifications" means the document or publication soliciting qualifications for a job order contracting contract.

Subd. 2. **Authority.** Notwithstanding any law to the contrary, the county may utilize job order contracting for projects that do not exceed a construction cost of $250,000.

Subd. 3. **Job order contracting request for qualifications.** (a) The county is authorized to issue a request for qualifications that includes the criteria that will be used for the projects, provided that these criteria (1) do not unduly restrict competition or impose conditions beyond reasonable requirements, in order to ensure maximum participation of all qualified contractors, and (2) do not relate to the collective bargaining status of the contractor.

(b) The request for qualifications must be publicized in a manner designated by the county that ensures open and unrestricted access for any potential responder. To the extent practical, this must include posting on a county Web site.

Subd. 4. **Qualified contractors.** (a) The county shall review the responses to the request for qualifications and determine each proposer's ability to enter into the master contract that will be utilized for the projects. The county shall establish a list of qualified contractors based on the proposers' ability to enter into a master contract as described in the request for qualifications.

(b) The county may establish a reasonable limit to the number of contractors on the registry of qualified contractors, based on the reasonable needs of the county. The county may reserve up to 75 percent of the registry for certified small business enterprises that may include minority-owned business enterprises, women-owned business enterprises, and veteran-owned businesses. The remaining 25 percent of the registry may include qualified businesses of any size or ownership.

(c) The county shall establish procedures to allow firms to submit qualifications at least every 24 months to allow placement on the list of contractors qualified to enter into a master contract. The county is not prohibited from accepting qualifications more frequently or on an ongoing or rolling basis.

Subd. 5. **Construction services bidding.** The county shall request bids for construction services for any project using job order contracting from qualified contractors as follows:

(1) for projects up to a maximum cost of $50,000, the county shall request a minimum of two bids;

(2) for projects with a cost greater than $50,000, but less than or equal to $100,000, the county shall request a minimum of three bids; and

(3) for projects with a cost greater than $100,000, but less than or equal to $250,000, the county shall request a minimum of four bids.

Subd. 6. **Qualified contractor selection.** The county shall select the contractor who submits the lowest price bid for the construction services proposed. At the discretion of the county, any or all bids may be rejected if it is determined to be in the best interest of the county.

Subd. 7. **Reasonable distribution of bid requests among qualified contractors.** The county, in requesting bidding for projects using job order contracting as described in this section, shall develop a system to ensure a reasonable opportunity for all qualified contractors to periodically bid on construction services.

Subd. 8. **Expiration.** The authority to enter into new contracts under this section expires on December 31, 2019.

Subd. 9. **Reporting.** Hennepin County must provide reports to the chairs of the committees in the senate and the house of representatives that have jurisdiction over local government operations, describing the uses of the authority provided in this section. Uses of the authority described in the reports may include identifying the total number of projects where this procurement method was used, the total number of contractors qualified by the county, and the total annual expenditures for projects under this section. The first report must be made by January 15, 2018, and subsequent reports must be made on January 15 of each subsequent even-numbered year.

Sec. 11. **LAKE MILLE LACS AREA ECONOMIC RELIEF PROGRAM.**

Subdivision 1. **Relief program established.** Mille Lacs County must develop and implement a Lake Mille Lacs area economic relief program to assist businesses adversely affected by a decline in walleye fishing on Lake Mille Lacs.

Subd. 2. **Available relief.** (a) The economic relief program established under this section may include grants or loans as provided in this section to the extent that funds are available. Prior to awarding a grant to Mille Lacs County for the relief program under this section:

(1) the county must develop criteria, procedures, and requirements for:

(i) determining eligibility for assistance;

(ii) the duration, terms, underwriting and security requirements, and repayment requirements for loans;

(iii) evaluating applications for assistance;

(iv) awarding assistance; and

(v) administering the grant and loan program authorized under this section;

(2) the county must submit its criteria, procedures, and requirements developed pursuant to clause (1) to the commissioner of employment and economic development for review; and

(3) the commissioner must approve the criteria, procedures, and requirements as developed pursuant to clause (1) to be used by the county in determining eligibility for assistance, evaluating, awarding, and administering the grant and loan program.

(b) The relief authorized under this section includes:

(1) grants not to exceed $50,000 per business. Grants may be awarded to applicants only when the county determines that a loan is not appropriate to address the needs of the applicant; and

(2) loans, with or without interest, and deferred or forgivable loans. The maximum loan amount under this subdivision is $100,000 per business. The lending criteria adopted by the county for loans under this subdivision must:

(i) specify that an entity receiving a deferred or forgivable loan must remain in the local community a minimum of five years after the date of the loan. The maximum loan deferral period must not exceed five years from the date the loan is approved. The maximum amount of a loan that may be forgiven must not exceed 50 percent of the principle amount and may be forgiven only if the business has remained in operation in the community for at least ten years after the loan is approved; and

(ii) require submission of a business plan for continued operation until the walleye fishing resource recovers. The plan must document the probable success of the applicant's business plan and probable success in repaying the loan according to the terms established for the loan program; and

(3) tourism promotion grants to the Mille Lacs Tourism Council.

(c) All loan repayment funds under this subdivision must be paid to the commissioner of employment and economic development for deposit in the Minnesota investment fund disaster contingency account under Minnesota Statutes, section 116J.8731.

Subd. 3. **Qualification requirements.** To qualify for assistance under this section, a business must:

(1) be located within one of the following municipalities surrounding Lake Mille Lacs:

(i) in Crow Wing County, the city of Garrison, township of Garrison, or township of Roosevelt;

(ii) in Aitkin County, the township of Hazelton, township of Wealthwood, township of Malmo, or township of Lakeside; or

(iii) in Mille Lacs County, the city of Isle, city of Wahkon, city of Onamia, township of East Side, township of Isle Harbor, township of South Harbor, or township of Kathio;

(2) document a reduction of at least ten percent in gross receipts in any two-year period since 2010; and

(3) be a business in one of the following industries, as defined within the North American Industry Classification System: accommodation, restaurants, bars, amusement and recreation, food and beverages retail, sporting goods, miscellaneous retail, general retail, museums, historical sites, health and personal care, gas station, general merchandise, business and professional membership, movies, or nonstore retailer, as determined by Mille Lacs County in consultation with the commissioner of employment and economic development.

Subd. 4. **Monitoring.** (a) Mille Lacs County must establish performance measures that include, but are not limited to, the following components:

(1) the number of loans approved and the amounts and terms of the loans;

(2) the number of grants awarded, award amounts, and the reason that a grant award was made in lieu of a loan;

(3) the loan default rate;

(4) the number of jobs created or retained as a result of the assistance, including information on the wages and benefit levels, the status of the jobs as full-time or part-time, and the status of the jobs as temporary or permanent;

(5) the amount of business activity and changes in gross revenues of the grant or loan recipient as a result of the assistance; and

(6) the new tax revenue generated as a result of the assistance.

(b) The commissioner of employment and economic development must monitor Mille Lacs County's compliance with this section and the performance measures developed under paragraph (a).

(c) Mille Lacs County must comply with all requests made by the commissioner under this section.

Subd. 5. **Business subsidy requirements.** Sections 116J.993 to 116J.995 do not apply to assistance under this section. Businesses in receipt of assistance under this section must provide for job creation and retention goals, and wage and benefit goals.

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to one percent of the appropriation made for this section for administrative expenses of the department.

EFFECTIVE DATE. This section, except for subdivision 4, is effective July 1, 2016, and expires June 30, 2017. Subdivision 4 is effective July 1, 2016, and expires on the date the last loan is repaid or forgiven as provided under this section.

Sec. 12. **REPEALER.**

Minnesota Statutes 2014, section 116U.26, is repealed.

ARTICLE 3
LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2014, section 182.653, subdivision 9, is amended to read:

Subd. 9. **Standard industrial classification list.** The commissioner shall adopt, in accordance with section 182.655, a rule specifying a list of either standard industrial classifications of employers or North American industry classifications of employers who must comply with subdivision 8. The commissioner shall demonstrate the need to include each industrial classification on the basis of the safety record or workers' compensation record of that industry segment. An employer must comply with subdivision 8 six months following the date the standard industrial classification or North American industry classification that applies to the employee is placed on the list. ~~An employer having less than 51 employees must comply with subdivision 8 six months following the date the standard industrial classification or North American industry classification that applies to the employee is placed on the list or by July 1, 1993, whichever is later.~~ The list shall be updated every ~~two~~ five years.

Sec. 2. **HANDS OFF CHILD CARE; REPEALER.**

Minnesota Statutes 2014, sections 179A.50; 179A.51; 179A.52; and 179A.53, are repealed.

ARTICLE 4
HOUSING

Section 1. Minnesota Statutes 2014, section 462A.204, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The agency may establish a family homeless prevention and assistance program to assist families who are homeless or are at imminent risk of homelessness. The term "family" may include single individuals. The agency may make grants to develop and implement family homeless prevention and assistance projects under the program. For purposes of this section, "families" means families and persons ~~under the age of 22~~ 24 years of age or younger.

Sec. 2. Minnesota Statutes 2014, section 462A.204, subdivision 3, is amended to read:

Subd. 3. **Set aside.** At least one grant must be awarded in an area located outside of the metropolitan area. A county, a group of contiguous counties jointly acting together, a tribe, a group of tribes, or a community-based nonprofit organization with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

ARTICLE 5
WORKERS' COMPENSATION COURT OF APPEALS PROPOSALS

Section 1. Minnesota Statutes 2014, section 176.081, subdivision 1, is amended to read:

Subdivision 1. **Limitation of fees.** (a) A fee for legal services of 20 percent of the first $130,000 of compensation awarded to the employee is the maximum permissible fee and does not require approval by the commissioner, compensation judge, or any other party. All fees, including fees for obtaining medical or rehabilitation benefits, must be calculated according to the formula under this subdivision, except as otherwise provided in clause (1) or (2).

(1) The contingent attorney fee for recovery of monetary benefits according to the formula in this section is presumed to be adequate to cover recovery of medical and rehabilitation benefit or services concurrently in dispute. Attorney fees for recovery of medical or rehabilitation benefits or services shall be assessed against the employer or insurer only if the attorney establishes that the contingent fee is inadequate to reasonably compensate the attorney for representing the employee in the medical or rehabilitation dispute. In cases where the contingent fee is inadequate the employer or insurer is liable for attorney fees based on the formula in this subdivision or in clause (2).

For the purposes of applying the formula where the employer or insurer is liable for attorney fees, the amount of compensation awarded for obtaining disputed medical and rehabilitation benefits under sections 176.102, 176.135, and 176.136 shall be the dollar value of the medical or rehabilitation benefit awarded, where ascertainable.

(2) The maximum attorney fee for obtaining a change of doctor or qualified rehabilitation consultant, or any other disputed medical or rehabilitation benefit for which a dollar value is not reasonably ascertainable, is the amount charged in hourly fees for the representation or $500, whichever is less, to be paid by the employer or insurer.

(3) The fees for obtaining disputed medical or rehabilitation benefits are included in the $26,000 limit in paragraph (b). An attorney must concurrently file all outstanding disputed issues. An attorney is not entitled to attorney fees for representation in any issue which could reasonably have been addressed during the pendency of other issues for the same injury.

(b) All fees for legal services related to the same injury are cumulative and may not exceed $26,000. If multiple injuries are the subject of a dispute, the commissioner, compensation judge, or court of appeals shall specify the attorney fee attributable to each injury.

(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. Subject to the foregoing maximum amount for attorney fees, up to 20 percent of the first $130,000 of periodic compensation awarded to the employee may be withheld from the periodic payments for attorney fees or disbursements if the payor of the funds clearly indicates on the check or draft issued to the employee for payment the purpose of the withholding, the name of the attorney, the amount withheld, and the gross amount of the compensation payment before withholding. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. The existence of a dispute is dependent upon a disagreement after the employer or insurer has had adequate time and information to take a position on liability. Neither the holding of a hearing nor the filing of an application for a hearing alone may determine the existence of a dispute. Except where the employee is represented by an attorney in other litigation pending at the department or at the Office of Administrative Hearings, a fee may not be charged after June 1, 1996, for services with respect to a medical or rehabilitation issue arising under section 176.102, 176.135, or 176.136 performed before the employee has consulted with the department and the department certifies that there is a dispute and that it has tried to resolve the dispute.

(d) An attorney who is claiming legal fees for representing an employee in a workers' compensation matter shall file a statement of attorney fees with the commissioner~~,~~ or compensation judge before whom the matter was heard~~, or Workers' Compensation Court of Appeals on cases before the court~~. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall report the number of hours spent on the case.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than $26,000 per case.

(f) An attorney must file a statement of attorney fees within 12 months of the date the attorney has submitted the written notice specified in paragraph (c). If the attorney has not filed a statement of attorney fees within the 12 months, the attorney must send a renewed notice of lien to the insurer. If 12 months have elapsed since the last notice of lien has been received by the insurer and no statement of attorney fees has been filed, the insurer must release the withheld money to the employee, except that before releasing the money to the employee, the insurer must give the attorney 30 days' written notice of the pending release. The insurer must not release the money if the attorney files a statement of attorney fees within the 30 days.

Sec. 2. Minnesota Statutes 2014, section 176.081, subdivision 3, is amended to read:

Subd. 3. **Review.** A party that is dissatisfied with ~~its~~ attorney fees awarded by the commissioner or a compensation judge may file ~~an application~~ a petition for review by the Workers' Compensation Court of Appeals. The ~~application~~ petition shall state the basis for the need of review and whether or not a hearing is requested. A copy of the ~~application~~ petition shall be served by the court upon the ~~party's~~ attorney ~~by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing~~ awarded or denied attorney fees. ~~The notice of hearing shall be served upon known interested parties.~~ The Workers' Compensation Court of Appeals shall have the authority to raise the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 3. Minnesota Statutes 2014, section 176.471, subdivision 3, is amended to read:

Subd. 3. **Service of writ ~~and bond~~; filing fee.** To effect a review upon certiorari, the party shall serve a writ of certiorari ~~and a bond~~ upon the administrator of the Workers' Compensation Court of Appeals within the 30-day period referred to in subdivision 1. The party shall also at this time pay to the ~~administrator~~ clerk of the appellate courts the fee prescribed by rule ~~103.01~~ 116.03 of the Rules of Civil Appellate Procedure ~~which shall be disposed of in the manner provided by that rule~~.

Sec. 4. Minnesota Statutes 2014, section 176.471, subdivision 5, is amended to read:

Subd. 5. **Bond.** ~~The bond required by subdivision 3 shall be executed in such amount and with such sureties as the Workers' Compensation Court of Appeals directs and approves. The bond shall be conditioned to pay the cost of the review.~~ The Workers' Compensation Court of Appeals may, upon motion of any respondent and a showing that extraordinary circumstances warrant the requirement of a cost bond, order that a bond be provided as prescribed by rule 107.02 of the Rules of Civil Appellate Procedure.

Sec. 5. Minnesota Statutes 2014, section 176.511, subdivision 2, is amended to read:

Subd. 2. **Disbursements, taxation.** The commissioner or compensation judge, or ~~on appeal~~ the Workers' Compensation Court of Appeals on cases before the court, may award the prevailing party reimbursement for actual and necessary disbursements. ~~These~~ Disbursements shall be taxed upon ~~five~~ ten days' written notice to adverse parties.

Sec. 6. Minnesota Statutes 2014, section 176.511, subdivision 3, is amended to read:

Subd. 3. **Attorney fee, allowance.** Where ~~upon an appeal to the Workers' Compensation Court of Appeals,~~ (1) an award of compensation is affirmed, or modified and affirmed, ~~or~~ (2) an order disallowing compensation is reversed, or (3) a petition to vacate an award is granted, the Workers' Compensation Court of Appeals may include in its award ~~as an incident to its review on appeal~~ an amount to cover a reasonable attorney fee~~,~~ or ~~it~~ may allow ~~the~~ an attorney fee in a proceeding to tax disbursements.

If the employer or insurer files a notice of discontinuance of an employee's benefits and an administrative conference is held to resolve the dispute, but the employer or insurer fails to attend the administrative conference, the commissioner or compensation judge may order the employer or insurer to pay the employee's attorney fees as a cost under this section if the employee's benefits are continued.

Sec. 7. **EFFECTIVE DATE.**

Sections 1 to 6 are effective the day following final enactment.

ARTICLE 6
WORKERS' COMPENSATION DEPARTMENT PROPOSALS

Section 1. Minnesota Statutes 2015 Supplement, section 176.135, subdivision 7a, is amended to read:

Subd. 7a. **Electronic transactions.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "workers' compensation payer" means a workers' compensation insurer and an employer, or group of employers, that is self-insured for workers' compensation;

(2) "clearinghouse" has the meaning given in section 62J.51, subdivision 11a; and

(3) "electronic transactions" means the health care administrative transactions described in section 62J.536.

(b) In addition to the requirements of section 62J.536, workers' compensation payers and health care providers must comply with the requirements in paragraphs (c) to (e).

(c) No later than January 1, 2016, each workers' compensation payer must place the following information in a prominent location on its Web site or otherwise provide the information to health care providers:

(1) the name of each clearinghouse with which the workers' compensation payer has an agreement to exchange or transmit electronic transactions, along with the identification number each clearinghouse has assigned to the payer in order to route electronic transactions through intermediaries or other clearinghouses to the payer;

(2) information about how a health care provider can obtain the claim number assigned by the workers' compensation payer for an employee's claim and how the provider should submit the claim number in the appropriate field on the electronic bill to the payer; and

(3) the name, phone number, and e-mail address of contact persons who can answer questions related to electronic transactions on behalf of the workers' compensation payer and the clearinghouses with which the payer has agreements.

(d) No later than ~~July 1, 2016~~ January 1, 2017:

(1) health care providers must electronically submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury using the ~~most recently approved~~ ASC X12N 5010 version of the ASC X12N 275 transaction ("Additional Information to Support Health Care Claim or Encounter"), according to the requirements in the corresponding implementation guide. The ASC X12N 275 transaction is the only one that shall be used to electronically submit attachments unless a national standard is adopted by federal law or rule. If a new version of the attachment transaction is approved, it must be used one year after the approval date;

(2) workers' compensation payers and all clearinghouses receiving or transmitting workers' compensation bills must accept attachments using the ASC X12N 275 transaction and must respond with the ~~most recently approved~~ ASC X12N 5010 version of the ASC X12 electronic acknowledgment for the attachment transaction. If a new version of the acknowledgment transaction is approved, it must be used one year after the approval date; and

(3) if a different national claims attachment or acknowledgment requirement is adopted by federal law or rule, it will replace the ASC X12N 275 transaction, and the new standard must be used on the date that it is required by the federal law or rule.

(e) No later than September 1, 2015, workers' compensation payers must provide the patient's name and patient control number on or with all payments made to a provider under this chapter, whether payment is made by check or electronic funds transfer. The information provided on or with the payment must be sufficient to allow providers to match the payment to specific bills. If a bulk payment is made to a provider for more than one patient, the check or electronic funds transfer statement must also specify the amount being paid for each patient. For purposes of this paragraph, the patient control number is located on the electronic health care claim 837 transaction, loop 2300, segment CLM01, and on the electronic health care claim payment/advice 835 transaction, loop 2100, CLP01.

(f) The commissioner may assess a monetary penalty of $500 for each violation of this section, not to exceed $25,000 for identical violations during a calendar year. Before issuing a penalty for a first violation of this section, the commissioner must provide written notice to the noncompliant payer, clearinghouse, or provider that a penalty may be issued if the violation is not corrected within 30 days. Penalties under this paragraph are payable to the commissioner for deposit in the assigned risk safety account.

Sec. 2. Minnesota Statutes 2015 Supplement, section 176.136, subdivision 1b, is amended to read:

Subd. 1b. **Limitation of liability.** (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a Critical Access Hospital certified by the Centers for Medicare and Medicaid Services, or while an outpatient at a hospital with 100 or fewer licensed beds, shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by paragraph (a), subdivision 1a, 1c, or section 176.1362 shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount. The commissioner may by rule establish the reasonable value of a service, article, or supply in lieu of the 85 percent limitation in this paragraph. A prevailing charge established under Minnesota Rules, part 5221.0500, subpart 2, must be based on no more than two years of billing data immediately preceding the date of the service.

(c) The limitation of liability for charges provided by paragraph (b) does not apply to a nursing home that participates in the medical assistance program and whose rates are established by the commissioner of human services.

(d) An employer's liability for treatment, articles, and supplies provided under this chapter by a health care provider located outside of Minnesota is limited to the payment that the health care provider would receive if the treatment, article, or supply were paid under the workers' compensation law of the jurisdiction in which the treatment was provided.

Sec. 3. Minnesota Statutes 2014, section 176.571, subdivision 1, is amended to read:

Subdivision 1. **Preliminary investigation.** When the head of a department has filed a report or the commissioner of administration has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of administration shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of administration may require the assistance of the head of any department or any employee of the state. The commissioner of ~~management and budget~~ administration may require that all facts be furnished which appear in the records of any state department bearing on the issue.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following enactment.

ARTICLE 7
WORKERS' COMPENSATION LITIGATION-RELATED PROPOSALS

Section 1. Minnesota Statutes 2014, section 176.011, subdivision 7a, is amended to read:

Subd. 7a. ~~(1)~~ **Compensation judge.** "Compensation judge" means a workers' compensation judge at the Office of Administrative Hearings.

~~(2) **Calendar judge.** "Calendar judge" means a workers' compensation judge at the Office of Administrative Hearings.~~

~~(3) **Compensation judge.** "Compensation judge" means a compensation judge at the Department of Labor and Industry.~~ Compensation judges may conduct settlement conferences, issue summary decisions, approve settlements and issue awards thereon, determine petitions for attorney fees and costs, and make other determinations, decisions, orders, and awards as may be delegated to them by law or the commissioner. Compensation judges must be learned in the law.

Sec. 2. Minnesota Statutes 2014, section 176.137, subdivision 1, is amended to read:

Subdivision 1. **Requirement; determination.** The employer shall furnish to an employee who is permanently disabled because of a personal injury suffered in the course of employment with that employer such alteration or remodeling of the employee's principal residence as is reasonably required to enable the employee to move freely into and throughout the residence and to otherwise adequately accommodate the disability. Any remodeling or alteration shall be furnished only when the division ~~or Workers' Compensation Court of Appeals~~ determines that the injury is to such a degree that the employee is substantially prevented from functioning within the principal residence.

Sec. 3. Minnesota Statutes 2014, section 176.137, subdivision 4, is amended to read:

Subd. 4. **Certification required; exceptions.** (a) Except as provided in paragraph (b), no award may be made except upon the certification of a licensed architect to the division ~~or Workers' Compensation Court of Appeals~~ that the proposed alteration or remodeling of an existing residence or the building or purchase of a new or different residence is reasonably required for the purposes specified in subdivision 1. The Council on Disability shall advise the division ~~or Workers' Compensation Court of Appeals~~ as provided in section 256.482, subdivision 5, clause (7). The alteration or remodeling of an existing residence, or the building or purchase of a new home must be done under the supervision of a licensed architect relative to the specific needs to accommodate the disability.

(b) Remodeling or alteration projects do not require an architect's certification and supervision if the project is:

(1) approved by the Council on Disability;

(2) performed by a residential building contractor or residential remodeler licensed under section 326B.805, subdivision 1; and

(3) approved by a certified building official or certified accessibility specialist under section 326B.133, subdivision 3a, paragraphs (b) and (d), who states in writing that the proposed remodeling or alterations are reasonably required to enable the employee to move freely into and throughout the residence and to otherwise accommodate the disability.

Sec. 4. Minnesota Statutes 2014, section 176.137, is amended by adding a subdivision to read:

Subd. 6. **Disputes.** A proceeding to resolve a dispute under this section shall be initiated by petition under sections 176.271 and 176.291 and decided by a compensation judge at the office under section 176.305, 176.322, or 176.341. The decision of the compensation judge is appealable to the Workers' Compensation Court of Appeals under section 176.421.

Sec. 5. Minnesota Statutes 2014, section 176.331, is amended to read:

176.331 PROCEEDINGS WHEN ANSWER NOT FILED.

Except in cases involving multiple employers or multiple insurers, if an adverse party fails to file and serve an answer or obtain an extension from the commissioner or the petitioner as required by section 176.321, subdivision 3, the commissioner shall refer the matter to the chief administrative law judge for an immediate hearing and prompt award or other order. The adverse party that failed to file an answer may appear at the hearing, present evidence and question witnesses, but shall not be granted a continuance ~~for any reason~~ except upon a showing of good cause.

If an adverse party who fails to serve and file an answer is neither insured for workers' compensation liability nor a licensed self-insured as required by section 176.181 and the special compensation fund is a party to the proceeding, the commissioner or compensation judge may enter an order awarding benefits to the petitioning party without a hearing if so requested by the special compensation fund.

Sec. 6. Minnesota Statutes 2014, section 176.361, subdivision 1, is amended to read:

Subdivision 1. **Right to intervene.** A person who has an interest in any matter before the Workers' Compensation Court of Appeals, or commissioner, or compensation judge such that the person may either gain or lose by an order or decision may intervene in the proceeding by filing ~~an application or~~ a motion in writing stating the facts which show the interest. The commissioner is considered to have an interest and shall be permitted to intervene at the appellate level when a party relies in its claim or defense upon any statute or rule administered by the commissioner, or upon any rule, order, requirement, or agreement issued or made under the statute or rule.

The commissioner may adopt rules, not inconsistent with this section to govern intervention. The Workers' Compensation Court of Appeals shall adopt rules to govern the procedure for intervention in matters before it.

If the Department of Human Services or the Department of Employment and Economic Development seeks to intervene in any matter before the division, a compensation judge or the Workers' Compensation Court of Appeals, a nonattorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents, ~~appear at~~ attend prehearing conferences, and participate in matters before a compensation judge or the Workers' Compensation Court of Appeals. Any other interested party may intervene using a nonattorney and may participate in any proceeding to the same extent an attorney could. This activity shall not be considered to be the unauthorized practice of law. An intervenor represented by a nonattorney shall be deemed to be represented by an attorney for the purposes of the conclusive presumption of section 176.521, subdivision 2.

Subdivisions 3 to 6 do not apply to ~~matters pending in the mediation or rehabilitation and medical services sections~~ the following proceedings conducted by the Department of Labor and Industry or the office: mediation proceedings; discontinuance conferences under section 176.239; or administrative conferences under section 176.106.

Sec. 7. Minnesota Statutes 2014, section 176.361, subdivision 2, is amended to read:

Subd. 2. **Written ~~application or~~ motion.** A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written ~~application or~~ motion to intervene to the commissioner, the office, or to the court of appeals, whichever is applicable.

(a) The ~~application or~~ motion must be served on all parties, except for other intervenors, either personally, by first class mail, or by registered mail, return receipt requested. ~~An application or~~ A motion to intervene must be served and filed within 60 days after a potential intervenor has been served with notice of a right to intervene or within 30 days of notice of an administrative conference. Upon the filing of a timely ~~application or~~ motion to intervene, the potential intervenor shall be granted intervenor status without the need for an order. Objections to the intervention may be subsequently addressed by a compensation judge. Where a motion to intervene is not timely filed under this section, the potential intervenor interest shall be extinguished and the potential intervenor may not collect, or attempt to collect, the extinguished interest from the employee, employer, insurer, or any government program.

(b) The ~~application or~~ motion must show how the applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the statutory right to intervene. The ~~application or~~ motion must be accompanied by the following:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the Vocational Rehabilitation Unit, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

(3) copies of all medical or treatment bills ~~on which some~~ for which payment ~~was made~~ is sought;

(4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;

(5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;

(6) the name and telephone number of the person representing the intervenor who has authority to represent the intervenor, including but not limited to the authority to reach a settlement of the issues in dispute;

(7) proof of service or copy of the registered mail receipt evidencing service on all parties except for other intervenors;

(8) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and

(9) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

Sec. 8. Minnesota Statutes 2014, section 176.361, subdivision 3, is amended to read:

Subd. 3. **Stipulation.** If the person submitting the ~~application or~~ motion ~~for intervention~~ to intervene has included a proposed stipulation, all parties shall either execute and return the signed stipulation to the intervenor who must file it with the division or judge or serve upon the intervenor and all other parties and file with the division specific and detailed objections to any payments made by the intervenor which are not conceded to be correct and related to the injury or condition the petitioner has asserted is compensable. If a party has not returned the signed stipulation or filed specific and detailed objections within 30 days of service of the ~~application or~~ motion to intervene, the intervenor's right to reimbursement for the amount sought is deemed established provided that the petitioner's claim is determined to be compensable. The office may establish procedures for filing objections if a timely motion to intervene is filed less than 30 days before a scheduled hearing.

Sec. 9. Minnesota Statutes 2014, section 176.361, subdivision 4, is amended to read:

Subd. 4. **Attendance by intervenor.** ~~Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall attend all settlement or pretrial conferences, administrative conferences, and the hearing. Failure~~ A person who has submitted a timely written motion to intervene, as required by subdivision 2, is not required to attend settlement or pretrial conferences or the hearing, unless attendance is ordered by the compensation judge assigned to the case, pursuant to a motion to require the intervenor's attendance filed by a party or as a matter of the judge's discretion. A motion to require attendance must be served and filed at least 20 days before a scheduled hearing, and the compensation judge must serve and file an order granting or denying the motion at least ten days before a scheduled hearing. If attendance is ordered, failure of the intervenor to ~~appear~~ attend a proceeding either in person or, if approved by the compensation judge, by telephone or some other electronic medium, shall result in the denial of the claim for reimbursement~~.~~ except upon a showing of good cause. If attendance has not been ordered, this subdivision does not prohibit an intervenor from attending a conference or hearing in person, or from requesting permission from the compensation judge to attend a conference or hearing by telephone or other electronic medium.

Sec. 10. Minnesota Statutes 2014, section 176.361, subdivision 5, is amended to read:

Subd. 5. ~~**Order**~~ **Objections.** If ~~an~~ a specific and detailed objection to intervention remains following settlement or pretrial conferences, the issue shall be addressed at the hearing. If the intervenor has not been ordered to attend the hearing pursuant to subdivision 4, or has received permission to attend the hearing by telephone or other electronic medium, the intervenor may provide a written response to the objection before the hearing according to subdivision 6 for consideration as a matter of discretion by the judge.

Sec. 11. Minnesota Statutes 2014, section 176.361, subdivision 6, is amended to read:

Subd. 6. **Presentation of evidence by intervenor.** Unless a stipulation has been signed and filed or the intervenor's right to reimbursement has otherwise been established, the intervenor shall present evidence in support of the claim at or before the hearing ~~unless otherwise ordered by the compensation judge~~. When the intervenor has not been ordered to attend the hearing pursuant to subdivision 4, or has received permission to attend the hearing by telephone or other electronic medium, the office may establish a procedure for submission of the intervenor's evidence and response to outstanding objections to intervention. If the intervenor does not submit a written response to the objection before the hearing, the compensation judge's determination on the objection must be based on the information and evidence submitted prior to or at the hearing, as a matter of judicial discretion.

Sec. 12. Minnesota Statutes 2014, section 176.361, is amended by adding a subdivision to read:

Subd. 8. **Chief administrative law judge orders.** The chief administrative law judge may issue standing orders to implement this section. The chief administrative law judge has the authority to issue standing orders instead of, or in addition to, the authority granted to the office or compensation judges under this section, provided that any standing order issued by the chief administrative law judge must be consistent with this section.

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, 2016.

ARTICLE 8
UNEMPLOYMENT INSURANCE ADVISORY COUNCIL POLICY

Section 1. Minnesota Statutes 2014, section 268.051, subdivision 5, is amended to read:

Subd. 5. **Tax rate for new employers.** ~~(a) Each new taxpaying employer that does not qualify for an experience rating under subdivision 3, except new employers in a high experience rating industry, must be assigned, for a calendar year, a tax rate the higher of (1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits paid all applicants during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all taxpaying employers during the same period, plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (c).~~

~~(b) Each new taxpaying employer in a high experience rating industry that does not qualify for an experience rating under subdivision 3, must be assigned, for a calendar year, a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits paid to all applicants from high experience rating industry employers during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all high experience rating industry employers during the same period, to a maximum provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (c).~~

~~(c) An employer is considered to be in a high experience rating industry if:~~

~~(1) the employer is engaged in residential, commercial, or industrial construction, including general contractors;~~

~~(2) the employer is engaged in sand, gravel, or limestone mining;~~

~~(3) the employer is engaged in the manufacturing of concrete, concrete products, or asphalt; or~~

~~(4) the employer is engaged in road building, repair, or resurfacing, including bridge and tunnels and residential and commercial driveways and parking lots.~~

(a) Each new taxpaying employer that does not qualify for an experience rating under subdivision 3 must be assigned, for the calendar year, a tax rate equal to the average experience rating for the employer's industry, plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (c). The tax rate assigned may not be less than one percent.

(b) The employer's industry, except for construction, is determined by the first two digits of the North American Industrial Classification System (NAICS). The construction industry is determined to five digits. For each calendar year, the commissioner must compute, in accordance with subdivision 3, the average industry experience rating for the employer's industry.

~~(d)~~ (c) Regardless of any law to the contrary, a taxpaying employer must be assigned a tax rate under this subdivision if the employer had no taxable wages during the experience rating period under subdivision 3.

~~(e)~~ (d) The commissioner must send to the new employer, by mail or electronic transmission, a determination of tax rate. An employer may appeal the determination of tax rate in accordance with ~~the procedures in~~ subdivision 6, paragraph (c).

EFFECTIVE DATE. This section is effective January 1, 2018, and applies to tax rates assigned for the calendar year 2018 and thereafter.

Sec. 2. Minnesota Statutes 2015 Supplement, section 268.07, subdivision 3b, is amended to read:

Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for unemployment benefits is effective the Sunday of the calendar week that the application was filed. An application for unemployment benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating ~~at~~ within seven calendar days of the ~~time~~ date the application is filed. An application may be backdated only if the applicant was unemployed during the period of the backdating. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for unemployment benefits was effective.

(c) A benefit account, once established, may later be withdrawn only if:

(1) the applicant has not been paid any unemployment benefits on that benefit account; and

(2) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal.

A determination or amended determination of eligibility or ineligibility issued under section 268.101, that was sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account.

(d) An application for unemployment benefits is not allowed before the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks. This paragraph applies to benefit accounts established under any federal law or the law of any other state.

EFFECTIVE DATE. This section is effective July 31, 2016, and applies to applications for unemployment benefits filed after that date.

Sec. 3. Minnesota Statutes 2014, section 268.095, subdivision 1, is amended to read:

Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all unemployment benefits according to subdivision 10 except when:

(1) the applicant quit the employment because of a good reason caused by the employer as defined in subdivision 3;

(2) the applicant quit the employment to accept other covered employment that provided ~~substantially~~ equal or better terms and conditions of employment, but the applicant did not work long enough at the second employment to have sufficient subsequent ~~earnings~~ wages paid to satisfy the period of ineligibility that would otherwise be imposed under subdivision 10 for quitting the first employment;

(3) the applicant quit the employment within 30 calendar days of beginning the employment ~~because~~ and the employment was unsuitable ~~for the applicant~~;

(4) the employment was unsuitable ~~for the applicant~~ and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant also had full-time employment in the base period, from which full-time employment the applicant separated because of reasons for which the applicant ~~was held~~ is not ~~to be~~ ineligible, and the wage credits from the full-time employment are sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off because of lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff because of lack of work is ineligible for unemployment benefits through the end of the week that includes the scheduled date of layoff;

(7) the applicant quit the employment (i) because the applicant's serious illness or injury made it medically necessary that the applicant quit; or (ii) in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant. This exception only applies if the applicant informs the employer of the medical problem and requests accommodation and no reasonable accommodation is made available.

If the applicant's serious illness is chemical dependency, this exception does not apply if the applicant was previously diagnosed as chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(8) the applicant's loss of child care for the applicant's minor child caused the applicant to quit the employment, provided the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation is available.

This exception raises an issue of the applicant's being available for suitable employment under section 268.085, subdivision 1, that the commissioner must determine;

(9) the applicant quit because domestic abuse, sexual assault, or stalking of the applicant or an immediate family member of the applicant, necessitated the applicant's quitting the employment.

For purposes of this subdivision:

(i) "domestic abuse" has the meaning given in section 518B.01;

(ii) "sexual assault" means an act that would constitute a violation of sections 609.342 to 609.3453 or 609.352; and

(iii) "stalking" means an act that would constitute a violation of section 609.749; or

(10) the applicant quit in order to relocate to accompany a spouse:

(1) who is in the military; or

(2) whose job was transferred by the spouse's employer to a new location ~~changed~~ making it impractical for the applicant to commute.

EFFECTIVE DATE. This section is effective July 31, 2016, and applies to all matters pending a determination or a decision by an unemployment law judge.

Sec. 4. Minnesota Statutes 2014, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) Subject to section 268.031, an issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source.

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The commissioner may issue a determination on an issue of ineligibility ~~at any time~~ within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer. ~~This paragraph does not prevent the imposition of a penalty on~~

If an applicant obtained unemployment benefits through fraud under section 268.18, subdivision 2, ~~or 268.182~~ a determination of ineligibility may be issued within 48 months of the establishment of the benefit account.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or ~~notified~~ employer within 20 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

~~(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant, the employer will be (1) sent a copy of the determination of eligibility or a determination of ineligibility, or (2) considered an involved employer for purposes of an appeal under section 268.105, only if the employer raised the issue of ineligibility.~~

EFFECTIVE DATE. This section is effective July 31, 2016, and applies to all matters pending a determination.

Sec. 5. Minnesota Statutes 2014, section 268.182, subdivision 2, is amended to read:

Subd. 2. **Administrative penalties.** (a) Any applicant who knowingly makes a false statement or representation, who knowingly fails to disclose a material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, in order to obtain or in an attempt to obtain unemployment benefits may be assessed, in addition to any other penalties, an administrative penalty of being ineligible for unemployment benefits for 13 to 104 weeks.

(b) A determination of ineligibility setting out the weeks the applicant is ineligible must be sent to the applicant by mail or electronic transmission. A determination of ineligibility under this subdivision may be issued within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained or attempted to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

EFFECTIVE DATE. This section is effective July 31, 2016, and applies to all matters pending a determination.

ARTICLE 9
UNEMPLOYMENT INSURANCE ADVISORY COUNCIL HOUSEKEEPING

Section 1. Minnesota Statutes 2014, section 268.035, subdivision 12, is amended to read:

Subd. 12. **Covered employment.** (a) "Covered employment" means the following unless excluded as "noncovered employment" under subdivision 20:

(1) an employee's entire employment during the calendar quarter if:

(i) the employment during the quarter is performed primarily in Minnesota;

(ii) the employment during the quarter is not performed primarily in Minnesota or any other state but some of the employment is performed in Minnesota and the base of operations or the place from which the employment is directed or controlled is in Minnesota; or

(iii) the employment during the quarter is not performed primarily in Minnesota or any other state and the base of operations or place from which the employment is directed or controlled is not in any state where part of the employment is performed, but the employee's residence is in Minnesota;

(2) an employee's entire employment during the calendar quarter performed within the United States or Canada, if:

(i) the employment is not ~~considered~~ covered employment under the unemployment insurance program of any other state, federal law, or the law of Canada; and

(ii) the place from which the employment is directed or controlled is in Minnesota;

(3) the employment during the calendar quarter, performed entirely outside ~~of~~ the United States and Canada, by an employee who is a United States citizen in the employ of an American employer if the employer's principal place of business in the United States is located in Minnesota. An "American employer," for the purposes of this clause, means a corporation organized under the laws of any state, an individual who is a resident of the United States, or a partnership if two-thirds or more of the partners are residents of the United States, or a trust, if all of the trustees are residents of the United States; and

(4) all employment during the calendar quarter performed by an officer or member of the crew of an American vessel on or in connection with the vessel, if the operating office from which the operations of the vessel operating on navigable waters within, or within and without, the United States are ordinarily and regularly supervised, managed, directed, and controlled is in Minnesota.

(b) "Covered employment" includes covered agricultural employment under subdivision 11.

(c) For the purposes of ~~satisfying the period of ineligibility under~~ section 268.095, ~~subdivision 10,~~ "covered employment" includes ~~covered~~ employment <u>covered</u> under an unemployment insurance program:

(1) of any other state; or

(2) established by an act of Congress.

<u>**EFFECTIVE DATE.**</u> <u>This section is effective July 31, 2016, and applies to all matters pending a determination or a decision by an unemployment law judge</u>

Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 29, is amended to read:

Subd. 29. **Wages.** (a) "Wages" means all compensation for employment, including commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer; sickness and accident disability payments, except as otherwise provided in this subdivision; and the cash value of housing, utilities, meals, exchanges of services, and any other goods and services provided to compensate an employee, except:

(1) the amount of any payment made to, or on behalf of, an employee under a plan established by an employer that makes provision for employees generally or for a class or classes of employees, including any amount paid by an employer for insurance or annuities, or into a plan, to provide for a payment, on account of (i) retirement or (ii) medical and hospitalization expenses in connection with sickness or accident disability, or (iii) death;

(2) the payment by an employer of the tax imposed upon an employee under United States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect to compensation paid to an employee for domestic employment in a private household of the employer or for agricultural employment;

(3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue Code, that is exempt from tax under section 501(a) at the time of the payment unless the payment is made to an employee of the trust as compensation for services as an employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of the payment, is a plan described in section 403(a);

(4) the value of any special discount or markdown allowed to an employee on goods purchased from or services supplied by the employer where the purchases are optional and do not constitute regular or systematic payment for services;

(5) customary and reasonable directors' fees paid to individuals who are not otherwise employed by the corporation of which they are directors;

(6) the payment to employees for reimbursement of meal expenses when employees are required to perform work after their regular hours;

(7) the payment into a trust or plan for purposes of providing legal or dental services if provided for all employees generally or for a class or classes of employees;

(8) the value of parking facilities provided or paid for by an employer, in whole or in part, if provided for all employees generally or for a class or classes of employees;

(9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other right;

(10) advances or reimbursements for traveling or other bona fide ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer. Traveling and other reimbursed expenses must be identified either by making separate payments or by specifically indicating the separate amounts where both wages and expense allowances are combined in a single payment;

(11) residual payments to radio, television, and similar artists that accrue after the production of television commercials, musical jingles, spot announcements, radio transcriptions, film sound tracks, and similar activities;

(12) the income to a former employee resulting from the exercise of a nonqualified stock option;

(13) ~~payments made to supplement~~ supplemental unemployment ~~benefits~~ benefit payments under a plan established by an employer, ~~that makes provisions for employees generally or for a class or classes of employees under the written terms of an agreement, contract, trust arrangement, or other instrument~~ if the payment is not wages under the Federal Unemployment Tax Act. The ~~plan must provide supplemental~~ payments are wages unless made solely for the supplementing of weekly state or federal unemployment benefits. ~~The plan must provide supplemental payments only for those weeks the applicant has been paid regular, extended, or additional unemployment benefits. The supplemental payments, when combined with the applicant's weekly unemployment benefits paid, may not exceed the applicant's regular weekly pay. The plan must not allow the assignment of~~ Supplemental unemployment benefit payments ~~or provide for any type of additional payment. The plan must not require~~ may not be assigned, nor may any consideration be required from the applicant, other than a release of claims~~, and must not be designed for the purpose of avoiding the payment of Social Security obligations, or unemployment taxes on money disbursed from the plan~~ in order to be excluded from wages;

(14) sickness or accident disability payments made by the employer after the expiration of six calendar months following the last calendar month that the individual worked for the employer;

(15) disability payments made under the provisions of any workers' compensation law;

(16) sickness or accident disability payments made by a third-party payer such as an insurance company; or

(17) payments made into a trust fund, or for the purchase of insurance or an annuity, to provide for sickness or accident disability payments to employees under a plan or system established by the employer that provides for the employer's employees generally or for a class or classes of employees.

(b) Nothing in this subdivision excludes from the term "wages" any payment made under any type of salary reduction agreement, including payments made under a cash or deferred arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the employee has the option to receive the payment in cash.

(c) Wages includes the total payment to the operator and supplier of a vehicle or other equipment where the payment combines compensation for personal services as well as compensation for the cost of operating and hiring the equipment in a single payment. This paragraph does not apply if:

(1) there is a preexisting written agreement providing for allocation of specific amounts; or

(2) at the time of each payment there is a written ~~acknowledgement~~ acknowledgment indicating the separate allocated amounts.

(d) Wages includes payments made for services as a caretaker. Unless there is a contract or other proof to the contrary, compensation is considered as being equally received by a married couple where the employer makes payment to only one spouse, or by all tenants of a household who perform services where two or more individuals share the same dwelling and the employer makes payment to only one individual.

(e) Wages includes payments made for services by a migrant family. Where services are performed by a married couple or a family and an employer makes payment to only one individual, each worker is considered as having received an equal share of the compensation unless there is a contract or other proof to the contrary.

(f) Wages includes advances or draws against future earnings, when paid, unless the payments are designated as a loan or return of capital on the books of the employer at the time of payment.

(g) Wages includes payments made by a subchapter "S" corporation, as organized under the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable compensation for services performed for the corporation.

For a subchapter "S" corporation, wages does not include:

(1) a loan for business purposes to an officer or shareholder evidenced by a promissory note signed by an officer before the payment of the loan proceeds and recorded on the books and records of the corporation as a loan to an officer or shareholder;

(2) a repayment of a loan or payment of interest on a loan made by an officer to the corporation and recorded on the books and records of the corporation as a liability;

(3) a reimbursement of reasonable corporation expenses incurred by an officer and documented by a written expense voucher and recorded on the books and records of the corporation as corporate expenses; and

(4) a reasonable lease or rental payment to an officer who owns property that is leased or rented to the corporation.

Sec. 3. Minnesota Statutes 2015 Supplement, section 268.085, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

(1) that occurs before the effective date of a benefit account;

(2) that the applicant, at ~~the beginning of~~ any time during the week, has an outstanding fraud overpayment balance under section 268.18, subdivision 2, including any penalties and interest;

(3) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;

(4) that the applicant is incarcerated or performing court-ordered community service. The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day the applicant is incarcerated or performing court-ordered community service;

(5) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268.101;

(6) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, volunteer work, or self-employment regardless of the amount of any earnings; or

(7) with respect to which the applicant has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to establish a benefit account under federal law or the law of any other state, this clause does not apply.

Sec. 4. Minnesota Statutes 2014, section 268.0865, subdivision 3, is amended to read:

Subd. 3. **Continued request for unemployment benefits by electronic transmission.** (a) A continued request for unemployment benefits by electronic transmission must be filed to that electronic mail address, telephone number, or Internet address prescribed by the commissioner for that applicant. In order to constitute a continued request, all information asked for, including information authenticating that the applicant is sending the transmission, must be provided in the format required. If all of the information asked for is not provided, the communication does not constitute a continued request for unemployment benefits.

(b) The continued request by electronic transmission ~~communication~~ must be filed within four calendar weeks following the week for which payment is requested on the ~~date~~ day of the week and during the time of day designated for the applicant ~~for filing a continued request by electronic transmission~~.

(c) ~~If the electronic transmission continued request is not filed as required under paragraph (b), a continued request by electronic transmission must be accepted if the applicant files the continued request by electronic transmission within three calendar weeks following the week for which payment is requested.~~ If the continued request by electronic transmission is not filed within ~~three~~ four calendar weeks following the week for which payment is requested, the electronic continued request will not be accepted and the applicant is ineligible for unemployment benefits for the period covered by the continued request, unless the applicant shows good cause for failing to file the continued request by electronic transmission within the time period required.

Sec. 5. Minnesota Statutes 2014, section 268.0865, subdivision 4, is amended to read:

Subd. 4. **Continued request for unemployment benefits by mail.** (a) A continued request for unemployment benefits by mail must be on a form prescribed by the commissioner. The form, in order to constitute a continued request, must be totally completed and signed by the applicant. The form must be filed by mail, in an envelope with postage prepaid, and sent to the address designated ~~during the week following the week for which payment is requested.~~

~~(b) If the mail continued request for unemployment benefits is not filed as required under paragraph (a), a continued request must be accepted if the form is filed by mail~~ within ~~three~~ four calendar weeks following the week for which payment is requested.

(b) If the continued request form is not filed within ~~three~~ four calendar weeks following the week for which payment is requested, the form will not be accepted and the applicant is ineligible for unemployment benefits ~~for the period covered by the continued request for unemployment benefits,~~ unless the applicant shows good cause for failing to file the form by mail within the time period required.

(c) If the applicant has been designated to file a continued request for unemployment benefits by mail, an applicant may submit the form by facsimile transmission within ~~three~~ four calendar weeks following the week for which payment is requested. A form submitted by facsimile transmission must be sent only to the telephone number assigned for that purpose.

(d) An applicant who has been designated to file a continued request by mail may personally deliver a continued request form only to the location to which the form was otherwise designated to be mailed.

Sec. 6. Minnesota Statutes 2014, section 268.095, subdivision 2, is amended to read:

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) When determining if an applicant quit, the theory of a constructive quit does not apply.

~~(b)~~ (c) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, ~~is considered to have~~ has quit the employment.

~~(c)~~ (d) An employee who seeks to withdraw a previously submitted notice of quitting ~~is considered to have~~ has quit the employment, as of the intended date of quitting, if the employer does not agree that the notice may be withdrawn.

~~(d)~~ (e) An applicant ~~who~~ has quit employment with a staffing service if, within five calendar days after completion of a suitable job assignment from a staffing service, the applicant:

(1) fails without good cause to affirmatively request an additional suitable job assignment~~,~~;

(2) refuses without good cause an additional suitable job assignment offered~~,~~; or

(3) accepts employment with the client of the staffing service~~, is considered to have quit employment with the staffing service~~. Accepting employment with the client of the staffing service meets the requirements of the exception to ineligibility under subdivision 1, clause (2).

This paragraph applies only if, at the time of beginning of employment with the staffing service, the applicant signed and was provided a copy of a separate document written in clear and concise language that informed the applicant of this paragraph and that unemployment benefits may be affected.

For purposes of this paragraph, "good cause" is a reason that ~~is significant and~~ would compel an average, reasonable worker, who would otherwise want an additional suitable job assignment with the staffing service (1) to fail to contact the staffing service, or (2) to refuse an offered assignment.

Sec. 7. Minnesota Statutes 2014, section 268.095, subdivision 5, is amended to read:

Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is ~~considered~~ a discharge. A suspension from employment without pay of more than 30 calendar days is ~~considered~~ a discharge.

(b) When determining if an applicant was discharged, the theory of a constructive discharge does not apply.

~~(b)~~ (c) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period is ~~considered~~ discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days before the intended date of quitting, then, as of the intended date of quitting, the separation from employment is ~~considered~~ a quit from employment subject to subdivision 1.

~~(c)~~ (d) The end of a job assignment with the client of a staffing service is ~~considered~~ a discharge from employment with the staffing service unless subdivision 2, paragraph (d), applies.

Sec. 8. Minnesota Statutes 2014, section 268.18, is amended to read:

268.18 UNEMPLOYMENT BENEFIT OVERPAYMENTS.

Subdivision 1. **~~Nonfraud~~ Repaying an overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under section 268.07 or 268.101, or any other section of this chapter, or (2) because of an unemployment law judge's decision under section 268.105, has received any unemployment benefits that the applicant was held not entitled to, is overpaid the benefits, and must promptly repay the ~~unemployment~~ benefits to the trust fund.

(b) If the applicant fails to repay the unemployment benefits overpaid, ~~the commissioner may offset from any future unemployment benefits otherwise payable the amount of the overpayment. Except when the overpayment resulted because the applicant failed to report deductible earnings or deductible or benefit delaying payments, no single offset may exceed 50 percent of the amount of the payment from which the offset is made. The overpayment may also~~ including any penalty and interest assessed under subdivisions 2 and 2b, the total due may be collected by the methods allowed under state and federal law.

~~(c) If an applicant has been overpaid unemployment benefits under the law of another state, because of a reason other than fraud, and that state certifies that the applicant is liable under its law to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment, except that no single offset may exceed 50 percent of the amount of the payment from which the offset is made.~~

Subd. 2. **Overpayment because of fraud.** (a) ~~Any~~ An applicant ~~who receives~~ has committed fraud if the applicant is overpaid unemployment benefits by:

(1) knowingly misrepresenting, misstating, or failing to disclose any material fact~~,~~; or ~~who makes~~

(2) making a false statement or representation without a good faith belief as to the correctness of the statement or representation~~, has committed fraud~~.

After the discovery of facts indicating fraud, the commissioner must ~~make~~ issue a determination ~~that the applicant obtained unemployment benefits by fraud and that the applicant must promptly repay the unemployment benefits to the trust fund. In addition, the commissioner must assess~~ of overpayment penalty, assessing a penalty equal to 40 percent of the amount ~~fraudulently obtained~~ overpaid. This penalty is in addition to penalties under section 268.182. ~~The determination is effective the Sunday of the week that it was issued.~~

(b) Unless the applicant files an appeal within 20 calendar days after the sending of ~~the~~ a determination of overpayment ~~by fraud~~ penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) ~~If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the total due may be collected by the methods allowed under state and federal law.~~ A determination of overpayment ~~by fraud~~ penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of ~~fraudulently obtained~~ overpaid unemployment benefits, penalties, and interest is first applied to the ~~unemployment~~ benefits overpaid, then to the penalty amount due, then to any interest due. 62.5 percent of the payments made toward the penalty are credited to the contingent account and 37.5 percent credited to the trust fund.

~~(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.~~

~~(e) Regardless of the limitations in section 268.101, subdivision 2, paragraph (e), unemployment benefits paid for weeks more than four years before the date of~~ (d) A determination of overpayment ~~by fraud issued~~ penalty under this subdivision ~~are not considered overpaid unemployment benefits~~ may be issued within 48 months of the establishment of the benefit account upon which the unemployment benefits were obtained though fraud.

Subd. 2b. **Interest.** On any unemployment benefits fraudulently obtained, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest at the rate of one percent per month on any amount that remains unpaid beginning 30 calendar days after the date of ~~the~~ a determination of overpayment ~~by fraud~~ penalty. A determination of overpayment ~~by fraud~~ penalty must state that interest will be assessed. Interest is assessed in the same manner as on employer debt under section 268.057, subdivision 5. Interest payments collected under this subdivision are credited to the trust fund.

Subd. 3a. **Offset of ~~federal~~ unemployment benefits.** ~~The commissioner is authorized to enter into reciprocal agreements with the United States Secretary of Labor, whereby,~~ (a) The commissioner may offset from any future unemployment benefits otherwise payable the amount of a nonfraud overpayment. Except when the nonfraud overpayment resulted because the applicant failed to report deductible earnings or deductible or benefit delaying payments, no single offset may exceed 50 percent of the amount of the payment from which the offset is made.

(b) Overpayments of unemployment benefits ~~as determined~~ under a federal ~~law,~~ program may be recovered by offset from ~~unemployment~~ future benefits otherwise payable ~~and~~.

(c) If an applicant has been overpaid unemployment benefits under the law of another state, the commissioner may offset from future benefits otherwise payable the amount of overpayment.

(d) Nonfraud unemployment benefit overpayments ~~under subdivisions 1 and 2~~ may be recovered by offset from ~~unemployment~~ future benefits otherwise payable under a federal program.

Subd. 4. **Cancellation of overpayments.** (a) If unemployment benefits overpaid ~~under subdivision 1~~ for reasons other than fraud are not repaid or offset from subsequent ~~unemployment~~ benefits ~~as provided for in subdivision 1~~ within six years after the date of the determination or decision holding the applicant overpaid, the commissioner must cancel the overpayment balance, and no administrative or legal proceedings may be used to enforce collection of those amounts.

(b) If unemployment benefits ~~determined~~ overpaid ~~under subdivision 2~~ because of fraud including penalties and interest are not repaid within ten years after the date of the determination of overpayment ~~by fraud~~ penalty, the commissioner must cancel the overpayment balance and any penalties and interest due, and no administrative or legal proceeding may be used to enforce collection of those amounts.

(c) The commissioner may cancel at any time any overpayment, including penalties and interest, that the commissioner determines is uncollectible because of death or bankruptcy.

Subd. 4a. **Court fees; collection fees.** (a) If the ~~commissioner~~ department is required to pay any court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties, or interest, ~~the commissioner may add~~ the amount of the court fees may be added to the total amount due.

(b) If an applicant who has been ~~determined~~ overpaid unemployment benefits because of fraud seeks to have any portion of the debt discharged under the federal bankruptcy code, and the ~~commissioner~~ department files an objection in bankruptcy court to the discharge, the ~~commissioner may add the commissioner's~~ cost of any court fees may be added to the debt if the bankruptcy court does not discharge the debt.

(c) If the Internal Revenue Service assesses the ~~commissioner~~ department a fee for offsetting from a federal tax refund the amount of any overpayment, including penalties and interest, the amount of the fee may be added to the total amount due. The offset amount must be put in the trust fund and that amount credited to the total amount due from the applicant.

Subd. 5. **Remedies.** (a) Any method undertaken to recover an overpayment of unemployment benefits, including any penalties and interest, is not considered an election of a method of recovery.

(b) Intervention or lack thereof, in whole or in part, in a workers' compensation matter under section 176.361 is not considered an election of a remedy and does not prevent the commissioner from determining any unemployment benefits overpaid under subdivision 1 or 2 or taking action under section 268.182.

Subd. 6. **Collection of overpayments.** (a) The commissioner may not compromise the amount ~~that has been determined~~ of any overpaid ~~under this section~~ unemployment benefits including penalties and interest.

(b) The commissioner has discretion regarding the recovery of any overpayment ~~under subdivision 1~~ for reasons other than fraud. Regardless of any law to the contrary, the commissioner is not required to refer any ~~amount determined overpaid under subdivision 1~~ overpayment for reasons other than fraud to a public or private collection agency, including agencies of this state.

(c) Amounts ~~determined~~ overpaid ~~under subdivision 1~~ for reasons other than fraud are not considered a "debt" to the state of Minnesota for purposes of any reporting requirements to the commissioner of management and budget.

(d) A pending appeal under section 268.105 does not suspend the assessment of interest, penalties, or collection of an overpayment ~~under this section~~.

(e) Section 16A.626 applies to the repayment by an applicant of any overpayment, penalty, or interest ~~under this section~~.

Sec. 9. **EFFECTIVE DATE.**

This article is effective July 31, 2016, unless indicated otherwise.

ARTICLE 10
UNEMPLOYMENT INSURANCE ADVISORY COUNCIL TECHNICAL

Section 1. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision to read:

Subd. 12e. **Earnings.** "Earnings" means all compensation to which the applicant has a legal claim and is earned income under state and federal law for income tax purposes.

Sec. 2. Minnesota Statutes 2014, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

(1) employment for the United States government or an instrumentality thereof, including military service;

(2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;

(3) employment for a foreign government;

~~(4) employment for an instrumentality wholly owned by a foreign government, if the employment is of a character similar to that performed in foreign countries by employees of the United States government or an instrumentality thereof and the United States Secretary of State has certified that the foreign government grants an equivalent exemption to similar employment performed in the foreign country by employees of the United States government and instrumentalities thereof;~~

~~(5)~~ (4) employment covered under ~~United States Code, title 45, section 351,~~ the federal Railroad Unemployment Insurance Act;

~~(6) employment covered by a reciprocal arrangement between the commissioner and another state or the federal government that provides that all employment performed by an individual for an employer during the period covered by the reciprocal arrangement is considered performed entirely within another state;~~

~~(7)~~ (5) employment for a church or convention or association of churches, or ~~an~~ a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches ~~described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a)~~;

~~(8)~~ (6) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order~~, for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a)~~;

~~(9)~~ (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed ~~for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a)~~ in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;

~~(10)~~ (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. ~~This clause applies only to employment for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a).~~ This clause does not apply to programs that require unemployment benefit coverage for the participants;

~~(11)~~ (9) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;

~~(12)~~ (10) employment as a member of the Minnesota National Guard or Air National Guard;

~~(13)~~ (11) employment for Minnesota~~,~~ or a political subdivision, or instrumentality thereof, ~~as an employee~~ of an individual serving ~~only~~ on a temporary basis in case of fire, flood, tornado, or similar emergency;

~~(14)~~ (12) employment as an election official or election worker for Minnesota or a political subdivision, ~~but only~~ if the compensation for that employment was less than $1,000 in a calendar year;

~~(15)~~ (13) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;

~~(16)~~ (14) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

~~(17)~~ (15) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

~~(18)~~ (16) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority ~~performed for a person, only~~, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than $1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

~~(19)~~ (17) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

~~(20)~~ (18) employment of an inmate of a custodial or penal institution;

~~(21)~~ (19) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

~~(22)~~ (20) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

~~(23)~~ (21) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

~~(24)~~ (22) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

~~(25)~~ (23) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

~~(26)~~ (24) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

~~(27)~~ (25) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

~~(28)~~ (26) employment as an officer of a township mutual insurance company or farmer's mutual insurance company ~~operating~~ under chapter 67A;

~~(29)~~ (27) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of a member of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

~~(30)~~ (28) employment as a real estate salesperson, ~~by~~ other than a corporate officer, if all the wages from the employment is solely by way of commission;

~~(31)~~ (29) employment as a direct seller as defined in United States Code, title 26, section 3508;

~~(32)~~ (30) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

~~(33)~~ (31) casual employment performed for an individual, other than domestic employment under clause ~~(18)~~ (16), that does not promote or advance that employer's trade or business;

~~(34)~~ (32) employment in "agricultural employment" unless ~~considered~~ it is "covered agricultural employment" under subdivision 11; or

~~(35)~~ (33) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is ~~considered~~ covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is ~~considered~~ noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer.

Sec. 3. Minnesota Statutes 2014, section 268.035, is amended by adding a subdivision to read:

Subd. 20b. **Nonprofit organization.** "Nonprofit organization" means an organization described in United States Code, title 26, section 501(c)(3), and is exempt from income tax under United States Code, title 26, section 501(a).

Sec. 4. Minnesota Statutes 2014, section 268.035, subdivision 23a, is amended to read:

Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in the applicant's labor market area that is reasonably related to the applicant's qualifications. In determining whether any employment is suitable for an applicant, the degree of risk involved to the health and safety, physical fitness, prior training, experience, length of unemployment, prospects for securing employment in the applicant's customary occupation, and the distance of the employment from the applicant's residence is considered.

(b) In determining what is suitable employment, primary consideration is given to the temporary or permanent nature of the applicant's separation from employment and whether the applicant has favorable prospects of finding employment in the applicant's usual or customary occupation at the applicant's past wage level within a reasonable period of time.

If prospects are unfavorable, employment at lower skill or wage levels is suitable if the applicant is reasonably suited for the employment considering the applicant's education, training, work experience, and current physical and mental ability.

The total compensation must be considered, including the wage rate, hours of employment, method of payment, overtime practices, bonuses, incentive payments, and fringe benefits.

(c) When potential employment is at a rate of pay lower than the applicant's former rate, consideration must be given to the length of the applicant's unemployment and the proportion of difference in the rates. Employment that may not be suitable because of lower wages during the early weeks of the applicant's unemployment may become suitable as the duration of unemployment lengthens.

(d) For an applicant seasonally unemployed, suitable employment includes temporary work in a lower skilled occupation that pays average gross weekly wages equal to or more than 150 percent of the applicant's weekly unemployment benefit amount.

(e) If a majority of the applicant's weeks of employment in the base period includes part-time employment, part-time employment in a position with comparable skills and comparable hours that pays comparable wages is ~~considered~~ suitable employment.

Full-time employment is not ~~considered~~ suitable employment for an applicant if a majority of the applicant's weeks of employment in the base period includes part-time employment.

(f) To determine suitability of employment in terms of shifts, the arrangement of hours in addition to the total number of hours is to be considered. Employment on a second, third, rotating, or split shift is suitable employment if it is customary in the occupation in the labor market area.

(g) Employment is not ~~considered~~ suitable if:

(1) the position offered is vacant because of a labor dispute;

(2) the wages, hours, or other conditions of employment are ~~substantially~~ less favorable than those prevailing for similar employment in the labor market area; or

(3) as a condition of becoming employed, the applicant would be required to join a company union or to resign from or refrain from joining any bona fide labor organization~~; or~~

~~(4) the employment is with a staffing service and less than 25 percent of the applicant's wage credits are from a job assignment with the client of a staffing service~~.

(h) A job assignment with a staffing service is ~~considered~~ suitable only if 25 percent or more of the applicant's wage credits are from job assignments with clients of a staffing service and the job assignment meets the definition of suitable employment under paragraph (a).

Sec. 5. Minnesota Statutes 2014, section 268.085, subdivision 4, is amended to read:

Subd. 4. **Social Security old age insurance benefits.** (a) Any applicant aged 62 or over is required to state when filing an application for unemployment benefits and when filing continued requests for unemployment benefits if the applicant is receiving, has filed for, or intends to file for, primary Social Security old age benefits.

(b) Unless paragraph ~~(b)~~ (c) applies, 50 percent of the weekly equivalent of the primary Social Security old age benefit the applicant has received, has filed for, or intends to file for, with respect to that week must be deducted from an applicant's weekly unemployment benefit amount.

~~(b)~~ (c) If all of the applicant's wage credits were earned while the applicant was claiming Social Security old age benefits, there is no deduction of the Social Security benefits from the applicant's weekly unemployment benefit amount.

~~(c)~~ (d) Information from the Social Security Administration is ~~considered~~ conclusive, absent specific evidence showing that the information was erroneous.

~~(d)~~ (e) This subdivision does not apply to Social Security survivor benefits.

Sec. 6. Minnesota Statutes 2014, section 268.085, subdivision 5, is amended to read:

Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday pay, with respect to any week, from employment, covered employment, noncovered employment, self-employment, or volunteer work, equal to or in excess of the applicant's weekly unemployment benefit amount, the applicant is ineligible for unemployment benefits for that week.

(b) If the applicant has earnings, including holiday pay, with respect to any week, that is less than the applicant's weekly unemployment benefit amount, from employment, covered employment, noncovered employment, self-employment, or volunteer work, 50 percent of the earnings are deducted from the weekly unemployment benefit amount.

(c) No deduction is made from an applicant's weekly unemployment benefit amount for earnings from service in the National Guard or a United States military reserve unit or from direct service as a volunteer firefighter or volunteer ambulance service personnel. This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made for jury duty pay or for pay as an election judge.

(d) The applicant may report deductible earnings on continued requests for unemployment benefits at the next lower whole dollar amount.

(e) Deductible earnings does not include any money ~~considered~~ that is a deductible payment under subdivision 3~~, but includes all compensation considered wages under section 268.035, subdivision 29, and any other compensation considered earned income under state and federal law for income tax purposes~~.

Sec. 7. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change "liability" to "liability for damages" in Minnesota Rules, part 3315.0555, subpart 1.

(b) The revisor of statutes shall change "entitled to" to "eligible for" in Minnesota Statutes, section 268.085, subdivision 1, clause (6).

(c) The revisor of statutes shall change "shall calculate" to "must calculate" in Minnesota Statutes, section 268.035, subdivision 23.

(d) The revisor of statutes shall renumber Minnesota Statutes, section 268.035, subdivision 12d, to subdivision 12f.

(e) The revisor of statutes shall reletter the paragraphs in Minnesota Statutes, section 268.085, subdivision 4, as follows:

(1) paragraph (a) shall be relettered paragraph (c); and

(2) paragraph (c) shall be relettered paragraph (a).

(f) The revisor of statutes shall renumber the reference to "clause (29)" to "clause (27)" in Minnesota Statutes, section 268.046, subdivision 1.

(g) The revisor of statutes shall renumber the reference to "clause (10)" to "clause (8)" in Minnesota Statutes, section 383C.19.

Sec. 8. **EFFECTIVE DATE.**

This article is effective July 31, 2016, and applies to all matters pending a determination or a decision by an unemployment law judge.

ARTICLE 11
TELEPHONE REGULATION

Section 1. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision to read:

Subd. 9. **Voice-over-Internet protocol service.** "Voice-over-Internet protocol service" or "VoIP service" means any service that (1) enables real-time two-way voice communications that originate from or terminate at the user's location in Internet protocol or any successor protocol, and (2) permits users generally to receive calls that originate on the public switched telephone network and terminate calls to the public switched telephone network.

Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision to read:

Subd. 10. **Internet protocol-enabled service.** "Internet protocol-enabled service" or "IP-enabled service" means any service, capability, functionality, or application provided using Internet protocol, or any successor protocol, that enables an end user to send or receive a communication in Internet protocol format or any successor format, regardless of whether that communication is voice, data, or video.

Sec. 3. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND INTERNET PROTOCOL-ENABLED SERVICE.**

Subdivision 1. **Regulation prohibited.** Except as provided in this section, no state agency, including the commission and the Department of Commerce, or political subdivision of this state shall by rule, order, or other means directly or indirectly regulate the entry, rates, terms, quality of service, availability, classification, or any other aspect of VoIP service or IP-enabled service.

Subd. 2. **VoIP regulation.** (a) To the extent permitted by federal law, VoIP service is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard to the collection and remittance of the surcharges governed by those sections.

(b) A provider of VoIP service must comply with the requirements of chapter 403 applicable to the provision of access to 911 service by service providers, except to the extent those requirements conflict with federal requirements for the provision of 911 service by VoIP providers under Code of Federal Regulations, title 47, part 9. A VoIP provider is entitled to the benefit of the limitation of liability provisions of section 403.07, subdivision 5. Beginning June 1, 2016, and continuing each June 1 thereafter, each VoIP provider shall file a plan with the commission describing how it will comply with the requirements of this paragraph. After its initial filing under this paragraph, a VoIP provider shall file with the commission either an update of the plan or a statement certifying that the plan and personnel contact information previously filed is still current.

Subd. 3. **Relation to other law.** Nothing in this section restricts, creates, expands, or otherwise affects or modifies:

(1) the commission's authority under the Federal Communications Act of 1934, United States Code, title 47, sections 251 and 252;

(2) any applicable wholesale tariff or any commission authority related to wholesale services;

(3) any commission jurisdiction over (i) intrastate switched access rates, terms, and conditions, including the implementation of federal law with respect to intercarrier compensation, or (ii) existing commission authority to address or affect the resolution of disputes regarding intercarrier compensation;

(4) the rights of any entity, or the authority of the commission and local government authorities, with respect to the use and regulation of public rights-of-way under sections 237.162 and 237.163; or

(5) the establishment or enforcement of standards, requirements or procedures in procurement policies, internal operational policies, or work rules of any state agency or political subdivision of the state relating to the protection of intellectual property.

Subd. 4. **Exemption.** The following services delivered by IP-enabled service are not regulated under this chapter:

(1) video services provided by a cable communications system, as defined in section 238.02, subdivision 3; or

(2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

(3) any other IP-enabled video service.

ARTICLE 12
BROADBAND DEVELOPMENT

Section 1. Minnesota Statutes 2015 Supplement, section 116J.394, is amended to read:

116J.394 DEFINITIONS.

(a) For the purposes of sections 116J.394 to ~~116J.396~~ 116J.398, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.

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

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds ~~that meet the state broadband goals of~~ greater than ten ~~to 20~~ megabits per second download and ~~five to ten~~ three megabits per second upload but less than 25 megabits per second download and three megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service~~, as defined in section 116J.39~~ at speeds equal to or greater than ten megabits per second download and three megabits per second upload.

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

Sec. 2. Minnesota Statutes 2014, section 116J.395, subdivision 4, is amended to read:

Subd. 4. **Application process.** (a) An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall develop administrative procedures governing the application and grant award process. The commissioner shall act as fiscal agent for the grant program and shall be responsible for receiving and reviewing grant applications and awarding grants under this section.

(b) At least 30 days prior to the first day applications may be submitted each fiscal year, the commissioner must publish the specific criteria and any quantitative weighting scheme or scoring system the commissioner will use to evaluate or rank applications and award grants under subdivision 6 on the department's Web site.

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

Sec. 3. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision to read:

Subd. 5a. **Incumbent right of first refusal.** (a) An applicant shall submit a copy of the application to all incumbent broadband service providers operating in the geographic area in which the proposed project is to be located at the same time the application is submitted to the commissioner.

(b) The commissioner may not continue to process or consider an application for a grant award if the commissioner receives notice in writing from an incumbent broadband service provider of the service provider's intention and commitment to begin construction, within 12 months of the date on which grant awards are to be made under this section, and to complete construction within 24 months of that date, of a project to extend or upgrade broadband service to speeds equal to or greater than the state broadband speed goal contained in section 237.012, subdivision 1, throughout the area in which the proposed project that is the subject of the application is to be located.

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

Sec. 4. Minnesota Statutes 2014, section 116J.395, subdivision 6, is amended to read:

Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the commissioner shall give priority to applications that: (1) are constructed in areas identified by the director of the Office of Broadband Development as unserved; and (2) the commissioner determines will result in the creation or retention of jobs in underserved areas located in counties that are not metropolitan counties, as defined in section 473.121, subdivision 4.

(b) In evaluating applications and awarding grants, the commissioner may give priority to applications that:

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

(2) offer new or substantially upgraded broadband service to important community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and healthcare facilities;

(3) facilitate the use of telemedicine and electronic health records;

(4) serve economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

(5) provide technical support and train residents, businesses, and institutions in the community served by the project to utilize broadband service;

(6) include a component to actively promote the adoption of the newly available broadband services in the community;

(7) provide evidence of strong support for the project from citizens, government, businesses, and institutions in the community;

(8) provide access to broadband service to a greater number of unserved or underserved households and businesses; or

(9) leverage greater amounts of funding for the project from other private and public sources.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

(d) Within 90 days after the first grant is awarded under this section in a fiscal year, the commissioner shall notify in writing each applicant who did not receive a grant why the specific application was unsuccessful.

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

Sec. 5. Minnesota Statutes 2014, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section in an unserved area may fund more than 50 percent of the total cost of a project.

(b) ~~Grants awarded to a single project under this section must not exceed $5,000,000~~ No grant awarded under this section in an underserved area may fund more than 25 percent of the total cost of a project.

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

Sec. 6. Minnesota Statutes 2014, section 116J.395, is amended by adding a subdivision to read:

Subd. 8. **Application evaluation report.** By June 30 of each year, the Office of Broadband Development shall place on the Department of Employment and Economic Development's Web site and provide to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over broadband a list of all applications for grants under this section received during the previous year and, for each application:

(1) the results of any quantitative weighting scheme or scoring system the commissioner used to award grants or rank the applications;

(2) the grant amount requested; and

(3) the grant amount awarded, if any.

EFFECTIVE DATE. This section is effective the day following final enactment. The initial report submission required under this section is due June 30, 2016.

Sec. 7. **[116J.397] UPDATED BROADBAND DEPLOYMENT DATA AND MAPS.**

(a) Beginning in 2016 and continuing each year thereafter, the Office of Broadband Development shall contract with one or more independent organizations that have extensive experience working with Minnesota broadband providers to:

(1) collect broadband deployment data from Minnesota providers, verify its accuracy through on-the-ground testing, and create state and county maps available to the public by February 1, 2017, and each February 1 thereafter, showing the availability of broadband service at various upload and download speeds throughout Minnesota;

(2) analyze the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conduct business and residential surveys that measure broadband adoption and use in the state.

(b) Data provided by a broadband provider under this section is nonpublic data under section 13.02, subdivision 9. Maps produced under this paragraph are public data under section 13.03.

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

Sec. 8. **[116J.398] BROADBAND PREVAILING WAGE EXEMPTION.**

Notwithstanding any other law to the contrary, sections 116J.871 and 177.41 to 177.44 do not apply to the construction, installation, remodeling, and repair of last-mile infrastructure, as defined under section 116J.394, paragraph (e).

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

Sec. 9. Minnesota Statutes 2014, section 237.012, subdivision 1, is amended to read:

Subdivision 1. **Universal access and high-speed goal.** (a) It is a state goal that as soon as possible, but no later than ~~2015~~ 2022, all state residents and businesses have access to high-speed broadband service that provides minimum download speeds of ~~ten to 20~~ 25 megabits per second and minimum upload speeds of ~~five to ten~~ three megabits per second.

(b) It is a state goal that no later than 2026 all households in the state have access to at least one broadband service provider offering broadband service at minimum speeds of 100 megabits per second download and 20 megabits per second upload.

Sec. 10. Minnesota Statutes 2014, section 237.012, subdivision 2, is amended to read:

Subd. 2. **State broadband leadership position.** It is a goal of the state that by ~~2015~~ 2022 and thereafter, the state be in:

(1) the top five states of the United States for broadband speed universally accessible to residents and businesses;

(2) the top five states for broadband access; and

(3) the top 15 when compared to countries globally for broadband penetration.

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

ARTICLE 13
ENERGY

Section 1. Minnesota Statutes 2014, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. **Reimbursable costs.** (a) The board shall provide reimbursement to eligible applicants for reimbursable costs.

(b) The following costs are reimbursable for purposes of this chapter:

(1) corrective action costs incurred by the applicant and documented in a form prescribed by the board~~, except the costs related to the physical removal of a tank~~. Corrective action costs incurred by the applicant include costs for physical removal of a tank when the physical removal is part of a corrective action, regardless of whether the tank is leaking at the time of removal, and the removal is directed or approved by the commissioner;

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury, property damage, or corrective action costs incurred by a third party caused by a release where the responsible person's liability for the costs has been established by a court order or court-approved settlement; and

(3) up to 180 days of interest costs associated with the financing of corrective action and incurred by the applicant in a written extension of credit or loan that has been signed by the applicant and executed after July 1, 2002, provided that the applicant documents that:

(i) the interest costs are incurred as a result of an extension of credit or loan from a financial institution; and

(ii) the board has not considered the application within the applicable time frame specified in subdivision 2a, paragraph (c).

Interest costs meeting the requirements of this clause are eligible only when they are incurred between the date a complete initial application is received by the board, or the date a complete supplemental application is received by the board, and the date that the board first notifies the applicant of its reimbursement determination. An application is complete when the information reasonably required or requested by the board's staff from the applicant has been received by the board's staff. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270C.40, subdivision 5, at the time the extension of credit or loan was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or court-approved settlement is entered that sets forth the specific costs attributed to the liability. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Sec. 2. Minnesota Statutes 2014, section 115C.09, subdivision 3, is amended to read:

Subd. 3. **Reimbursements; subrogation; appropriation.** (a) The board shall reimburse an eligible applicant from the fund for 90 percent of the total reimbursable costs incurred at the site, except that the board may reimburse an eligible applicant from the fund for greater than 90 percent of the total reimbursable costs, if the applicant previously qualified for a higher reimbursement rate. For costs associated with a release from a tank in transport, the board may reimburse a maximum of $100,000.

Not more than ~~$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than~~ $2,000,000 may be reimbursed for costs associated with a single ~~tank facility~~ release.

(b) A reimbursement may not be made from the fund under this chapter until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) When an applicant has obtained responsible competitive bids or proposals according to rules promulgated under this chapter prior to June 1, 1995, the eligible costs for the tasks, procedures, services, materials, equipment, and tests of the low bid or proposal are presumed to be reasonable by the board, unless the costs of the low bid or proposal are substantially in excess of the average costs charged for similar tasks, procedures, services, materials, equipment, and tests in the same geographical area during the same time period.

(d) When an applicant has obtained a minimum of two responsible competitive bids or proposals on forms prescribed by the board and where the rules ~~promulgated~~ adopted under this chapter after June 1, 1995, designate maximum costs for specific tasks, procedures, services, materials, equipment and tests, the eligible costs of the low bid or proposal are deemed reasonable if the costs are at or below the maximums set forth in the rules.

(e) Costs incurred for change orders executed as prescribed in rules ~~promulgated~~ adopted under this chapter after June 1, 1995, are presumed reasonable if the costs are at or below the maximums set forth in the rules, unless the costs in the change order are above those in the original bid or proposal or are unsubstantiated and inconsistent with the process and standards required by the rules.

(f) A reimbursement may not be made from the fund in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the applicant has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the applicant.

(g) If the board reimburses an applicant for costs for which the applicant has insurance coverage, the board is subrogated to the rights of the applicant with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by an applicant of reimbursement constitutes an assignment by the applicant to the board of any rights of the applicant with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the applicant the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the applicant was denied coverage by the insurer.

(h) Money in the fund is appropriated to the board to make reimbursements under this chapter. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(i) The board may reduce the amount of reimbursement to be made under this chapter if it finds that the applicant has not complied with a provision of this chapter, a rule or order issued under this chapter, or one or more of the following requirements:

(1) the agency was given notice of the release as required by section 115.061;

(2) the applicant, to the extent possible, fully cooperated with the agency in responding to the release;

(3) the state rules applicable after December 22, 1993, to operating an underground storage tank and appurtenances without leak detection;

(4) the state rules applicable after December 22, 1998, to operating an underground storage tank and appurtenances without corrosion protection or spill and overfill protection; and

(5) the state rule applicable after November 1, 1998, to operating an aboveground tank without a dike or other structure that would contain a spill at the aboveground tank site.

(j) The reimbursement may be reduced as much as 100 percent for failure by the applicant to comply with the requirements in paragraph (i), clauses (1) to (5). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the reasonable determination by the agency that the noncompliance poses a threat to the environment;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators;

(4) the amount of reimbursement reduction recommended by the commissioner; and

(5) the documentation of noncompliance provided by the commissioner.

(k) An applicant may request that the board issue a multiparty check that includes each lender who advanced funds to pay the costs of the corrective action or to each contractor or consultant who provided corrective action services. This request must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the applicant, the identity of the lender, contractor, or consultant, the dollar amount, and the location of the corrective action. The applicant must submit a request for the issuance of a multiparty check for each application submitted to the board. Payment under this paragraph does not constitute the assignment of the applicant's right to reimbursement to the consultant, contractor, or lender. The board has no liability to an applicant for a payment issued as a multiparty check that meets the requirements of this paragraph.

Sec. 3. Minnesota Statutes 2014, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) <u>Except as provided in subdivision 1a,</u> the public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account $500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and $7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(b) Except as provided in subdivision 1a, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account $350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and $5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

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

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

(1) to increase the market penetration within the state of renewable electric energy resources at reasonable costs;

(2) to promote the start-up, expansion, and attraction of renewable electric energy projects and companies within the state;

(3) to stimulate research and development within the state into renewable electric energy technologies; and

(4) to develop near-commercial and demonstration scale renewable electric projects or near-commercial and demonstration scale electric infrastructure delivery projects if those delivery projects enhance the delivery of renewable electric energy.

The utility that owns a nuclear generating plant is eligible to apply for renewable development account grants.

(e) Expenditures authorized by this subdivision from the account may be made only after approval by order of the Public Utilities Commission upon a petition by the public utility. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds to be not in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission may approve reasonable and necessary expenditures for administering the account in an amount not to exceed five percent of expenditures. Commission approval is not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or other law.

(f) The account shall be managed by the public utility but the public utility must consult about account expenditures with an advisory group that includes, among others, representatives of its ratepayers. The commission may require that other interests be represented on the advisory group. The advisory group must be consulted with respect to the general scope of expenditures in designing a request for proposal and in evaluating projects submitted in response to a request for proposals. In addition to consulting with the advisory group, the public utility must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (d), clause (3), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (d), clause (3). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. The utility should attempt to reach agreement with the advisory group after consulting with it but the utility has full and sole authority to determine which expenditures shall be submitted to the commission for commission approval. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the public utility must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(g) Funds in the account may not be directly appropriated by the legislature by a law enacted after January 1, 2012, and unless appropriated by a law enacted prior to that date may be expended only pursuant to an order of the commission according to this subdivision.

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

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

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

(k) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public Web site designated by the commission.

(l) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development fund, noting that the fund is financed by the public utility's ratepayers.

Sec. 4. Minnesota Statutes 2014, section 116C.779, is amended by adding a subdivision to read:

Subd. 1a. **Payment termination.** (a) The commissioner shall track the cumulative transfers made to the account each year since 1999 for each dry cask containing spent fuel that is stored at an independent spent-fuel storage facility at Prairie Island or Monticello. During the time when state law required the public utility to transfer a specific amount of funds to the account for all the casks stored, the per-cask allocation shall be calculated by dividing the total amount transferred by the number of casks stored that year.

(b) When the commissioner determines that the cumulative transfers calculated under paragraph (a) for a specific cask reach $10,000,000, the commissioner shall notify the public utility that no additional transfers to the account for that cask shall be made.

(c) This subdivision does not affect any provisions of subdivision 1, paragraph (a) or (b), with respect to transfers to the account made after a plant has ceased operation.

Sec. 5. Minnesota Statutes 2014, section 216A.03, subdivision 1, is amended to read:

Subdivision 1. **Members.** The Public Utilities Commission shall consist of ~~five~~ nine members, eight of whom shall each represent one of the state's congressional districts, and one member appointed at large. At the time of appointment, each member, except for the at-large appointee, must reside in the congressional district the member is to represent. The terms of members shall be six years and until their successors have been appointed and qualified. Each commissioner shall be appointed by the governor by and with the advice and consent of the senate. Not more than ~~three~~ five commissioners shall belong to the same political party. ~~At least one commissioner must have been domiciled at the time of appointment outside the seven-county metropolitan area. If the membership of the commission after July 31, 1986, does not consist of at least one member domiciled at the time of appointment outside the seven-county metropolitan area, the membership shall conform to this requirement following normal attrition of the present commissioners.~~ The governor when selecting commissioners shall give consideration to persons learned in the law or persons who have engaged in the profession of engineering, public accounting, property and utility valuation, finance, physical or natural sciences, production agriculture, or natural resources as well as being representative of the general public.

~~For purposes of this subdivision, "seven-county metropolitan area" means Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.~~

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

Sec. 6. Minnesota Statutes 2014, section 216A.03, is amended by adding a subdivision to read:

Subd. 2a. **Transition.** (a) Until the governor has appointed commissioners from each congressional district and one at-large commissioner, this subdivision governs membership of the commission.

(b) Members of the commission as of July 1, 2016, shall continue to serve until the expiration of their terms.

(c) No later than October 1, 2016, the governor shall appoint commissioners from the first, seventh, and eighth congressional districts for terms to begin January 2, 2017.

(d) No later than October 1, 2018, the governor shall appoint a commissioner from the second congressional district for a term to begin January 7, 2019.

(e) No later than October 1, 2019, the governor shall appoint commissioners from the third, fourth, and fifth congressional districts for terms to begin January 6, 2020.

(f) No later than October 1, 2020, the governor shall appoint a commissioner from the sixth congressional district for a term to begin January 4, 2021.

(g) No later than October 1, 2021, the governor shall appoint an at-large commissioner for a term to begin January 3, 2022.

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

Sec. 7. Minnesota Statutes 2014, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

(a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility located in the same county or a county contiguous to where the facility is located.

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. The purchase shall be at the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under either section 116C.7792 or section 216C.415. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

(e) The commission may approve, disapprove, or modify a community solar garden program. Any plan approved by the commission must:

(1) reasonably allow for the creation, financing, and accessibility of community solar gardens;

(2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;

(3) not apply different requirements to utility and nonutility community solar garden facilities;

(4) be consistent with the public interest;

(5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;

(6) include a program implementation schedule;

(7) identify all proposed rules, fees, and charges; ~~and~~

(8) identify the means by which the program will be promoted~~.~~;

(9) certify that the utility and the owner of a solar garden will submit copies of all marketing and promotional material and sample contracts to the commission, and that the materials will be updated periodically;

(10) provide a mechanism for subscribers to transfer subscriptions to other new or current subscribers;

(11) require an owner of a solar garden and the utility purchasing electricity generated by the solar garden to forward customer complaints regarding the operation of the solar garden to the commission; and

(12) reflect the commission's determination that:

(i) the plan is financially viable; and

(ii) the contract between a subscriber and the owner of a solar garden is fair, reasonable, and not discriminatory.

(f) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

(g) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

(h) For the purposes of this section, the following terms have the meanings given:

(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and

(2) "subscription" means a contract between a subscriber and the owner of a solar garden.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any plan submitted to the commission for approval on or after that date.

Sec. 8. Minnesota Statutes 2014, section 216B.241, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

(b) "Commissioner" means the commissioner of commerce.

(c) "Department" means the Department of Commerce.

(d) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(e) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement may include waste heat that is recovered and converted into electricity, but does not include electric utility infrastructure projects approved by the commission under section 216B.1636. Energy conservation improvement also includes waste heat recovered and used as thermal energy.

(f) "Energy efficiency" means measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.

(g) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude:

(1) gas sales to:

(i) a large energy facility;

(ii) a large customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to natural gas sales made to the large customer facility; ~~and~~

(iii) a commercial gas customer facility whose natural gas utility has been exempted by the commissioner under subdivision 1a, paragraph (c), with respect to natural gas sales made to the commercial gas customer facility; and

(iv) a pipeline facility; and

(2) electric sales to:

(i) a large customer facility whose electric utility has been exempted by the commissioner under subdivision 1a, paragraph (b), with respect to electric sales made to the large customer facility; and

(ii) a pipeline facility.

(h) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

(i) "Large customer facility" means all buildings, structures, equipment, and installations at a single site that collectively (1) impose a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes or (2) consume not less than 500 million cubic feet of natural gas annually. In calculating peak electrical demand, a large customer facility may include demand offset by on-site cogeneration facilities and, if engaged in mineral extraction, may aggregate peak energy demand from the large customer facility's mining and processing operations.

(j) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(k) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

(l) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.

(m) "Petroleum products" has the meaning given in section 296A.01, subdivision 42, and includes propane, as defined in section 216B.02, subdivision 3a.

(n) "Pipeline facility" means a pipeline located within Minnesota with a diameter of six inches or greater and through which natural gas, petroleum, or petroleum products are transported under pressure to a utility, petroleum refinery, or other wholesale customer. Pipeline facility includes natural gas compressor stations, petroleum pumping stations, and other facilities necessary to physically transport fuel through a pipeline to a wholesale customer, but does not include facilities used to transport natural gas, petroleum, or petroleum products within a petroleum refinery, storage, or manufacturing facility.

(o) "Qualifying utility" means a utility that supplies the energy to a customer that enables the customer to qualify as a large customer facility.

~~(n)~~ (p) "Waste heat recovered and used as thermal energy" means capturing heat energy that would otherwise be exhausted or dissipated to the environment from machinery, buildings, or industrial processes and productively using such recovered thermal energy where it was captured or distributing it as thermal energy to other locations where it is used to reduce demand-side consumption of natural gas, electric energy, or both.

~~(o)~~ (q) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

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

Sec. 9. Minnesota Statutes 2014, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large customer facilities exempted under paragraph (b), ~~or~~ from commercial gas customers that are exempted under paragraph (c) or (e), or from a customer that is a pipeline facility.

(b) The owner of a large customer facility may petition the commissioner to exempt both electric and gas utilities serving the large customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the large customer facility. The filing must include a discussion of the competitive or economic pressures facing the owner of the facility and the efforts taken by the owner to identify, evaluate, and implement energy conservation and efficiency improvements. A filing submitted on or before October 1 of any year must be approved within 90 days and become effective January 1 of the year following the filing, unless the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements. If a facility qualifies as a large customer facility solely due to its peak electrical demand or annual natural gas usage, the exemption may be limited to the qualifying utility if the commissioner finds that the owner of the large customer facility has failed to take reasonable measures to identify, evaluate, and implement energy conservation and efficiency improvements with respect to the nonqualifying utility. Once an exemption is approved, the commissioner may request the owner of a large customer facility to submit, not more often than once every five years, a report demonstrating the large customer facility's ongoing commitment to energy conservation and efficiency improvement after the exemption filing. The commissioner may request such reports for up to ten years after the effective date of the exemption, unless the majority ownership of the large customer facility changes, in which case the commissioner may request additional reports for up to ten years after the change in ownership occurs. The commissioner may, within 180 days of receiving a report submitted under this paragraph, rescind any exemption granted under this paragraph upon a determination that the large customer facility is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements. A large customer facility that is, under an order from the commissioner, exempt from the investment and expenditure requirements of paragraph (a) as of December 31, 2010, is not required to submit a report to retain its exempt status, except as otherwise provided in this paragraph with respect to ownership changes. No exempt large customer facility may participate in a utility conservation improvement program unless the owner of the facility submits a filing with the commissioner to withdraw its exemption.

(c) A commercial gas customer that is not a large customer facility and that purchases or acquires natural gas from a public utility having fewer than 600,000 natural gas customers in Minnesota may petition the commissioner to exempt gas utilities serving the commercial gas customer from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the commercial gas customer. The petition must be supported by evidence demonstrating that the commercial gas customer has acquired or can reasonably acquire the capability to bypass use of the utility's gas distribution system by obtaining natural gas directly from a supplier not regulated by the commission. The commissioner shall grant the exemption if the commissioner finds that the petitioner has made the demonstration required by this paragraph.

(d) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(e) A public utility or owner of a large customer facility may appeal a decision of the commissioner under paragraph (b), (c), or (d) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b), (c), or (d), the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective energy conservation improvements; or

(2) otherwise not be in the public interest.

(f) No pipeline facility may participate in a utility conservation improvement program.

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

Sec. 10. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to read:

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) Each individual utility and association shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (d). The savings goals must be calculated based on the most recent three-year weather-normalized average. A utility or association may elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from electric utility infrastructure projects allowed under paragraph (d) may be carried forward for five years. A particular energy savings can be used only for one year's goal.

(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy-savings plan by calendar year 2010.

(d) In its energy conservation improvement plan filing, a utility or association may request the commissioner to adjust its annual energy-savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the ~~commissioner determines warrants~~ utility or association asserts warrant an adjustment. The commissioner:

(1) must approve a request by a municipal utility or cooperative electric association to adjust the utility's or association's annual energy-savings goal;

(2) may approve a request from a public utility to adjust its annual energy-savings goal; and

(3) ~~may not approve~~ is prohibited from approving a plan of a public utility that provides for an annual energy-savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements.

A public utility ~~or association~~ may include in its energy conservation plan energy savings from electric utility infrastructure projects approved by the commission under section 216B.1636 or waste heat recovery converted into electricity projects ~~that~~, each of which may count as energy savings only in addition to a minimum energy-savings goal of at least one percent for energy conservation improvements. Energy savings from electric utility infrastructure projects, as defined in section 216B.1636, may be included in the energy conservation plan of a municipal utility or cooperative electric association. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy-savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy-savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy-savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy-savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy-savings goals established in this subdivision.

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

Sec. 11. Minnesota Statutes 2014, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **Exemptions.** This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or any case where the commission has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas;

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater; ~~or~~

(7) a wind energy conversion system or solar electric generation facility if the system or facility is owned and operated by an independent power producer and the electric output of the system or facility is not sold to an entity that provides retail service in Minnesota or wholesale electric service to another entity in Minnesota other than an entity that is a federally recognized regional transmission organization or independent system operator; or

(8) an interstate pipeline traversing Minnesota whose termini lie outside the state.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to (1) a pipeline that has not filed a certificate of need application before the effective date of this section, and (2) a pipeline that has a certificate of need application pending before the commission on the effective date of this section.

Sec. 12. Minnesota Statutes 2014, section 216C.20, subdivision 3, is amended to read:

Subd. 3. **Parking ramp.** No enclosed structure or portion of an enclosed structure constructed after January 1, 1978, and used primarily as a commercial parking facility for three or more motor vehicles shall be heated. Incidental heating resulting from building exhaust air passing through a parking facility shall not be prohibited, provided that substantially all useful heat has previously been removed from the air. The commissioner of commerce may grant an exemption from this subdivision if the commercial parking is integrated within a facility that has both public and private uses, the benefits to taxpayers of the exemption exceed the costs, and all appropriate energy efficiency measures have been considered.

Sec. 13. **[216E.023] PROHIBITION; SITING SOLAR SYSTEM; TREE CUTTING.**

No state or local site permit may be issued for a solar energy generating system that would contribute to meeting the requirements of section 216B.1691, subdivision 2f, or that is governed under section 216B.1641, if the solar energy generating system is to be sited at a location where more than 75 percent of the trees standing in an area exceeding three acres are proposed to be cut in order to accommodate construction of the solar energy generating system.

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

Sec. 14. Minnesota Statutes 2014, section 216E.03, subdivision 5, is amended to read:

Subd. 5. **Environmental review.** (a) The commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric generating plant or high-voltage transmission line for which a complete application has been submitted. The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the commission deems necessary that was proposed in a manner consistent with rules concerning the form, content, and timeliness of proposals for alternate sites or routes.

(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a large electric power generating plant and is not proposed by a utility, the commissioner must make a finding in the environmental impact statement whether the project is likely to result in a net reduction of carbon dioxide emissions, considering both the utility providing electric service to the proposed cogeneration facility and any reduction in carbon dioxide emissions as a result of increased efficiency from the production of thermal energy on the part of the customer operating or owning the proposed cogeneration facility.

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

Sec. 15. Minnesota Statutes 2014, section 216H.01, is amended by adding a subdivision to read:

Subd. 1a. **Cogeneration facility or combined heat and power facility.** "Cogeneration facility" or "combined heat and power facility" means a facility that:

(1) has the meaning given in United States Code, title 16, section 796, clause (18), paragraph (A); and

(2) meets the applicable operating and efficiency standards contained in Code of Federal Regulations, title 18, part 292.205.

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

Sec. 16. Minnesota Statutes 2014, section 216H.03, subdivision 1, is amended to read:

Subdivision 1. **Definition; new large energy facility.** For the purpose of this section, "new large energy facility" means a large energy facility, as defined in section 216B.2421, subdivision 2, clause (1), that is not in operation as of January 1, 2007, but does not include a facility that (1) uses natural gas as a primary fuel, (2) is a cogeneration facility or combined heat and power facility located in the electric service area of a public utility, as defined in section 216B.02, subdivision 4, or is designed to provide peaking, intermediate, emergency backup, or contingency services, (3) uses a simple cycle or combined cycle turbine technology, and (4) is capable of achieving full load operations within 45 minutes of startup for a simple cycle facility, or is capable of achieving minimum load operations within 185 minutes of startup for a combined cycle facility.

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

Sec. 17. Laws 2001, chapter 130, section 3, is amended to read:

Sec. 3. **ASSESSMENT.**

A propane education and research council, established and certified pursuant to section 2, may assess propane producers and retail marketers an amount not to exceed ~~one mill~~ the maximum assessment authorized in United States Code, title 15, section 6405(a), per gallon of odorized propane in a manner established by the council in compliance with United States Code, title 15, section 6405, subsections (a) to (c). Propane producers and retail marketers shall be responsible for the amounts assessed.

Sec. 18. **PROHIBITION ON EXPENDITURE OF STATE FUNDS; CLEAN POWER PLAN.**

No state agency shall expend state funds to develop a state plan as required by the federal Clean Power Plan unless and until a final decision in the case of West Virginia, et. al., v. United States Environmental Protection Agency, et. al., determines that the federal Environmental Protection Agency has legal authority to require the submission of such state plans.

For the purposes of this section, "Clean Power Plan" means the final rule of the federal Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, issued by the United States Environmental Protection Agency in Docket No. EPA-HQ-OAR-2013-0602, and any subsequent amendments made to the plan."

Delete the title and insert:

"A bill for an act relating to state government; making supplemental appropriations for jobs, economic development, and energy affordability; appropriating money to the Departments of Employment and Economic Development, Labor and Industry, and Commerce, the Housing Finance Agency, Public Utilities Commission, Public Facilities Authority, Explore Minnesota Tourism, Bureau of Mediation Services, and Public Employment Relations Board; making policy changes to jobs and economic development, labor and industry, housing, workers' compensation, unemployment insurance, telephone regulation, broadband development, and energy; requiring reports; amending Minnesota Statutes 2014, sections 115C.09, subdivisions 1, 3; 116C.779, subdivision 1, by adding a subdivision; 116J.395, subdivisions 4, 6, 7, by adding subdivisions; 116J.548, subdivisions 2, 3; 116J.8737, subdivision 3; 116J.8747, subdivisions 1, 2; 116M.15, subdivision 1; 176.011, subdivision 7a; 176.081, subdivisions 1, 3; 176.137, subdivisions 1, 4, by adding a subdivision; 176.331; 176.361, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 176.471, subdivisions 3, 5; 176.511, subdivisions 2, 3; 176.571, subdivision 1; 182.653, subdivision 9; 216A.03, subdivision 1, by adding a subdivision; 216B.1641; 216B.241, subdivisions 1, 1a, 1c; 216B.243, subdivision 8; 216C.20, subdivision 3; 216E.03, subdivision 5; 216H.01, by adding a subdivision; 216H.03, subdivision 1; 237.01, by adding a subdivision; 237.012, subdivisions 1, 2; 268.035, subdivisions 12, 20, 23a, 29, by adding subdivisions; 268.051, subdivision 5; 268.085, subdivisions 4, 5; 268.0865, subdivisions 3, 4; 268.095, subdivisions 1, 2, 5; 268.101, subdivision 2; 268.18; 268.182, subdivision 2; 383B.142; 462A.204, subdivisions 1, 3; Minnesota Statutes 2015 Supplement, sections 16A.967, subdivisions 2, 7; 116J.394; 176.135, subdivision 7a; 176.136, subdivision 1b; 268.07, subdivision 3b; 268.085, subdivision 2; Laws 2001, chapter 130, section 3; Laws 2015, First Special Session chapter 1, article 1, sections 2, subdivision 3; 8, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 116J; 216E; 237; 383B; repealing Minnesota Statutes 2014, sections 116U.26; 179A.50; 179A.51; 179A.52; 179A.53."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 71, 1182, 2515, 2690 and 3328 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Loeffler, Mahoney and Davnie introduced:

H. F. No. 3947, A bill for an act relating to taxation; individual income and corporate franchise; providing a tax credit for implementing nameless job application review process; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on State Government Finance.

REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 21, 2016 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2478, 2514, 2870 and 3175; and S. F. Nos. 2503 and 2614.

MOTIONS AND RESOLUTIONS

Loonan moved that the name of Rarick be added as an author on H. F. No. 1099. The motion prevailed.

Schultz moved that the names of Isaacson and Yarusso be added as authors on H. F. No. 1449. The motion prevailed.

Hornstein moved that the name of Loeffler be added as an author on H. F. No. 2174. The motion prevailed.

Howe moved that the name of Johnson, C., be added as an author on H. F. No. 2388. The motion prevailed.

Atkins moved that the name of Schoen be added as an author on H. F. No. 2424. The motion prevailed.

Schultz moved that the name of Dehn, R., be added as an author on H. F. No. 2491. The motion prevailed.

Kresha moved that the name of Erhardt be added as an author on H. F. No. 2670. The motion prevailed.

Runbeck moved that the name of Lohmer be added as an author on H. F. No. 2695. The motion prevailed.

Allen moved that the name of Dehn, R., be added as an author on H. F. No. 2701. The motion prevailed.

Mahoney moved that the name of Dehn, R., be added as an author on H. F. No. 2716. The motion prevailed.

Hausman moved that the name of Erhardt be added as an author on H. F. No. 2784. The motion prevailed.

Pugh moved that the name of Erhardt be added as an author on H. F. No. 2868. The motion prevailed.

Lueck moved that the names of Cornish and Vogel be added as authors on H. F. No. 2870. The motion prevailed.

Peterson moved that the name of Loon be added as an author on H. F. No. 2969. The motion prevailed.

Loeffler moved that the name of Dehn, R., be added as an author on H. F. No. 3060. The motion prevailed.

Zerwas moved that the name of Dehn, R., be added as an author on H. F. No. 3086. The motion prevailed.

Erickson moved that the name of Uglem be added as an author on H. F. No. 3132. The motion prevailed.

Fabian moved that the name of Lohmer be added as an author on H. F. No. 3377. The motion prevailed.

Murphy, M., moved that the name of Loeffler be added as an author on H. F. No. 3428. The motion prevailed.

Clark moved that the name of Smith be added as an author on H. F. No. 3496. The motion prevailed.

Hertaus moved that the name of Yarusso be added as an author on H. F. No. 3610. The motion prevailed.

Anzelc moved that the name of Franson be added as an author on H. F. No. 3683. The motion prevailed.

Hornstein moved that the name of Loeffler be added as an author on H. F. No. 3698. The motion prevailed.

Murphy, E., moved that the name of Dehn, R., be added as an author on H. F. No. 3820. The motion prevailed.

Hamilton moved that the name of Loeffler be added as an author on H. F. No. 3834. The motion prevailed.

Anderson, P., moved that the name of Franson be added as an author on H. F. No. 3901. The motion prevailed.

Anderson, S., moved that the name of Erhardt be added as an author on H. F. No. 3912. The motion prevailed.

Kahn moved that H. F. No. 3829 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Government Operations and Elections Policy.

A roll call was requested and properly seconded.

The question was taken on the Kahn motion and the roll was called. There were 51 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Allen	Dehn, R.	Hilstrom	Lillie	Murphy, M.	Schultz
Anzelc	Ecklund	Hornstein	Loeffler	Nelson	Simonson
Applebaum	Erhardt	Hortman	Mahoney	Newton	Thissen
Bernardy	Fischer	Johnson, C.	Marquart	Norton	Wagenius
Bly	Flanagan	Johnson, S.	Masin	Persell	Yarusso
Carlson	Freiberg	Kahn	Metsa	Pinto	Youakim
Clark	Halverson	Laine	Moran	Poppe	
Considine	Hansen	Liebling	Mullery	Rosenthal	
Davnie	Hausman	Lien	Murphy, E.	Schoen	

Those who voted in the negative were:

Albright	Drazkowski	Hertaus	Lueck	Petersburg	Theis
Anderson, C.	Erickson	Howe	Mack	Peterson	Torkelson
Anderson, P.	Fabian	Johnson, B.	McDonald	Pierson	Uglem
Backer	Fenton	Kelly	McNamara	Pugh	Urdahl
Baker	Franson	Kiel	Miller	Quam	Vogel
Barrett	Green	Knoblach	Nash	Rarick	Whelan
Christensen	Gruenhagen	Koznick	Newberger	Runbeck	Wills
Cornish	Gunther	Kresha	Nornes	Sanders	Zerwas
Daniels	Hackbarth	Lohmer	O'Driscoll	Schomacker	Spk. Daudt
Davids	Hamilton	Loon	O'Neill	Scott	
Dean, M.	Hancock	Loonan	Pelowski	Smith	
Dettmer	Heintzeman	Lucero	Peppin	Swedzinski	

The motion did not prevail.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 9:00 a.m., Thursday, April 21, 2016. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Thursday, April 21, 2016.

PATRICK D. MURPHY, Chief Clerk, House of Representatives