

THIRTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 23, 2017

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Gazelka imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dr. Don Mortenson.

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

The roll was called, and the following Senators answered to their names:

Abeler	Draheim	Hoffman	Limmer	Rosen
Anderson, B.	Dziedzic	Housley	Little	Ruud
Anderson, P.	Eaton	Ingebrigtsen	Lourey	Schoen
Bakk	Eichorn	Isaacson	Marty	Senjem
Benson	Eken	Jasinski	Mathews	Simonson
Carlson	Fischbach	Jensen	Miller	Sparks
Chamberlain	Franzen	Johnson	Newman	Tomassoni
Champion	Frentz	Kent	Newton	Torres Ray
Clausen	Gazelka	Kiffmeyer	Osmek	Utke
Cohen	Goggin	Klein	Pappas	Weber
Cwodzinski	Hall	Koran	Pratt	Westrom
Dahms	Hawj	Laine	Relph	Wiger
Dibble	Hayden	Lang	Rest	Wiklund

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 21, 2017

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

Pursuant to Minnesota Statutes 2016, 240A.02, I am pleased to appoint Senator Senjem as a voting member of the Minnesota Amateur Sports Commission.

Sincerely,
Paul E. Gazelka
Senate Majority Leader

March 22, 2017

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

The Subcommittee on Committees met on March 21, 2017, and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 2016

240A.02: Minnesota Amateur Sports Commission - Senators Anderson, P. (non-voting) and Newton (non-voting).

3.8843: Legislative Commission on Data Practices - Senators Kent, Limmer, Newman, and Schoen.

3.922: Indian Affairs Council - Senators Dahms and Lourey.

Sincerely,
Paul E. Gazelka
Chair, Subcommittee on Committees
State Senator - District 9

REPORTS OF COMMITTEES

Senator Gazelka moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 847, 2088, and 1013. The motion prevailed.

Senator Kiffmeyer from the Committee on State Government Finance and Policy and Elections, to which was referred

S.F. No. 605: A bill for an act relating to state government; requiring monthly reports related to the employee gainsharing system; amending Minnesota Statutes 2016, section 16A.90.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**STATE GOVERNMENT APPROPRIATIONS**Section 1. **APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. **LEGISLATURE**

Subdivision 1. Total Appropriation \$ **81,706,000** \$ **81,512,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>81,578,000</u>	<u>81,384,000</u>
<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

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

Subd. 2. Senate **32,299,000** **32,105,000**

Subd. 3. House of Representatives **32,383,000** **32,383,000**

During the biennium ending June 30, 2019, any revenues received by the house of representatives from voluntary donations to support broadcast or print media are appropriated to the house of representatives.

Subd. 4. Legislative Coordinating Commission **17,024,000** **17,024,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>16,896,000</u>	<u>16,896,000</u>
<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

\$6,564,000 the first year and \$6,564,000 the second year are for the Office of the Legislative Auditor.

\$6,180,000 the first year and \$6,180,000 the second year are for the Office of the Revisor of Statutes.

From its funds, \$10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR

\$ 4,605,000 \$ 4,605,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) Up to \$19,000 the first year and up to \$19,000 the second year are for necessary expenses in the normal performance of the Governor's and Lieutenant Governor's duties for which no other reimbursement is provided.

(c) The following amounts that are appropriated from the general fund in fiscal years 2018 and 2019 to the specified agency and are budgeted to be transferred to the governor for personnel costs incurred by the Offices of the Governor and the Lieutenant Governor to support the agencies are canceled to the general fund and the base for each agency is reduced by the specified amount for fiscal years 2020 and 2021.

<u>Agency</u>	<u>2018</u>	<u>2019</u>
<u>Commerce</u>	<u>67,000</u>	<u>67,000</u>
<u>Employment and Economic Development</u>	<u>109,000</u>	<u>109,000</u>
<u>Education</u>	<u>58,000</u>	<u>58,000</u>
<u>Office of Higher Education</u>	<u>25,000</u>	<u>25,000</u>
<u>Administration</u>	<u>25,000</u>	<u>25,000</u>

<u>Management and Budget</u>	<u>21,000</u>	<u>21,000</u>
<u>MN.IT Services</u>	<u>25,000</u>	<u>25,000</u>
<u>Revenue</u>	<u>41,000</u>	<u>41,000</u>
<u>Health</u>	<u>58,000</u>	<u>58,000</u>
<u>Human Services</u>	<u>247,000</u>	<u>247,000</u>
<u>Veterans Affairs</u>	<u>16,000</u>	<u>16,000</u>
<u>Military Affairs</u>	<u>17,000</u>	<u>17,000</u>
<u>Corrections</u>	<u>58,000</u>	<u>58,000</u>
<u>Transportation</u>	<u>20,000</u>	<u>20,000</u>

(d) The following amounts that are budgeted to be transferred from the specified fund for the specified agencies to the governor for personnel costs incurred by the Offices of the Governor and Lieutenant Governor to support the agencies during the previous fiscal year are transferred from the specified fund to the general fund.

<u>Agency</u>	<u>Fund</u>	<u>2018</u>	<u>2019</u>
<u>Agriculture</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
<u>Housing Finance Agency</u>	<u>Housing Finance Agency Fund</u>	<u>33,000</u>	<u>33,000</u>
<u>Labor and Industry</u>	<u>Restricted Special Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
<u>Iron Range Resources and Rehabilitation Board</u>	<u>Iron Range Resources and Rehabilitation Fund</u>	<u>26,000</u>	<u>26,000</u>
<u>Higher Education</u>	<u>Office of Higher Education Fund</u>	<u>16,000</u>	<u>16,000</u>
<u>Management and Budget</u>	<u>State Employee Group Insurance Program Fund</u>	<u>21,000</u>	<u>21,000</u>
<u>Public Safety</u>	<u>Restricted Special Revenue Fund</u>	<u>41,000</u>	<u>41,000</u>
<u>Natural Resources</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>84,000</u>	<u>84,000</u>
<u>Pollution Control Agency</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>67,000</u>	<u>67,000</u>
<u>Transportation</u>	<u>Transit Assistance Fund</u>	<u>40,000</u>	<u>40,000</u>
<u>Transportation</u>	<u>County State-Aid Roads Fund</u>	<u>30,000</u>	<u>30,000</u>
<u>Transportation</u>	<u>Municipal State-Aid Roads Fund</u>	<u>9,000</u>	<u>9,000</u>

Sec. 4. STATE AUDITOR

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,062,000</u>	<u>\$</u>	<u>7,062,000</u>
---	-----------	------------------	-----------	------------------

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

<u>Subd. 2. Audit Practice</u>	<u>5,081,000</u>	<u>5,081,000</u>
--------------------------------	------------------	------------------

<u>Subd. 3. Legal and Special Investigations</u>	<u>318,000</u>	<u>318,000</u>
--	----------------	----------------

<u>Subd. 4. Government Information</u>	<u>598,000</u>	<u>598,000</u>
--	----------------	----------------

<u>Subd. 5. Pension Oversight</u>	<u>448,000</u>	<u>448,000</u>
-----------------------------------	----------------	----------------

<u>Subd. 6. Operations Management</u>	<u>358,000</u>	<u>358,000</u>
---------------------------------------	----------------	----------------

<u>Subd. 7. Constitutional Office</u>	<u>259,000</u>	<u>259,000</u>
---------------------------------------	----------------	----------------

Sec. 5. ATTORNEY GENERAL

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>23,247,000</u>	<u>\$</u>	<u>23,247,000</u>
---	-----------	-------------------	-----------	-------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>20,465,000</u>	<u>20,465,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,387,000</u>	<u>2,387,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

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

<u>Subd. 2. Government Legal Services</u>	<u>3,652,000</u>	<u>3,652,000</u>
---	------------------	------------------

<u>Subd. 3. Regulatory Law and Professions</u>	<u>4,984,000</u>	<u>4,984,000</u>
--	------------------	------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>2,223,000</u>	<u>2,223,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,366,000</u>	<u>2,366,000</u>
<u>Environmental</u>	<u>250,000</u>	<u>250,000</u>
<u>Remediation</u>	<u>145,000</u>	<u>145,000</u>

<u>Subd. 4. State Government Services</u>	<u>6,157,000</u>	<u>6,157,000</u>
---	------------------	------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>6,136,000</u>	<u>6,136,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>21,000</u>	<u>21,000</u>

<u>Subd. 5. Civil Law Section</u>	<u>3,010,000</u>	<u>3,010,000</u>
-----------------------------------	------------------	------------------

<u>Subd. 6. Civil Litigation</u>	<u>1,495,000</u>	<u>1,495,000</u>
----------------------------------	------------------	------------------

<u>Subd. 7. Administrative Operations</u>	<u>3,949,000</u>	<u>3,949,000</u>
---	------------------	------------------

Sec. 6. SECRETARY OF STATE

<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,901,000</u>	<u>\$ 6,240,000</u>
---	---------------------	---------------------

The base for fiscal year 2020 is \$6,129,000 and the base for fiscal year 2021 is \$6,129,000.

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

<u>Subd. 2. Administration</u>	<u>594,000</u>	<u>606,000</u>
--------------------------------	----------------	----------------

<u>Subd. 3. Safe at Home</u>	<u>609,000</u>	<u>625,000</u>
------------------------------	----------------	----------------

<u>Subd. 4. Business Services</u>	<u>1,617,000</u>	<u>1,391,000</u>
-----------------------------------	------------------	------------------

<u>Subd. 5. Elections</u>	<u>5,081,000</u>	<u>3,618,000</u>
---------------------------	------------------	------------------

\$1,772,000 the first year is for the voting equipment grant established in article 3, section 1. This is a onetime appropriation.

Sec. 7. CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

	<u>\$ 976,000</u>	<u>\$ 976,000</u>
--	-------------------	-------------------

<u>Sec. 8. INVESTMENT BOARD</u>	<u>\$ 139,000</u>	<u>\$ 139,000</u>
---------------------------------	-------------------	-------------------

<u>Sec. 9. ADMINISTRATIVE HEARINGS</u>	<u>\$ 7,633,000</u>	<u>\$ 7,633,000</u>
--	---------------------	---------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>383,000</u>	<u>383,000</u>

<u>Workers'</u>		
<u>Compensation</u>	<u>7,250,000</u>	<u>7,250,000</u>

Campaign Violations Hearings. \$115,000 in fiscal year 2018 and \$115,000 in fiscal year 2019 are appropriated from the general fund for the cost of considering complaints filed under Minnesota Statutes, section 211B.32. These amounts may be used in either year of the biennium.

\$6,000 in fiscal year 2018 and \$6,000 in fiscal year 2019 are appropriated from the general fund to the Office of Administrative Hearings for the cost of considering data practices complaints filed under Minnesota Statutes, section 13.085. These amounts may be used in either year of the biennium.

Sec. 10. <u>MN.IT SERVICES</u>	<u>\$</u>	<u>4,622,000</u>	<u>\$</u>	<u>2,622,000</u>
---------------------------------------	-----------	-------------------------	-----------	-------------------------

\$3,300,000 the first year and \$1,300,000 the second year are for enhancements to cybersecurity across state government.

\$5,000,000 of the unobligated balance as of March 15, 2017, in the information and telecommunications technology systems and services account in the special revenue fund must be used for enhancements to cybersecurity across state government. At the end of the fiscal year 2016-2017 biennium, an additional \$5,000,000 of unexpended agency operating dollars transferred into the account must be used for cybersecurity enhancements across state government. The state chief information officer must report to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance by August 15, 2017, on how the \$10,000,000 in funds will be used to enhance cybersecurity.

The commissioner of management and budget is authorized to provide cash flow assistance of up to \$110,000,000 from the

special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2019 closing period.

During the biennium ending June 30, 2019, MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>20,036,000</u>	<u>\$</u>	<u>19,536,000</u>
--	------------------	--------------------------	------------------	--------------------------

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

Subd. 2. <u>Government and Citizen Services</u>	<u>6,901,000</u>	<u>6,901,000</u>
(a) <u>Council on Developmental Disabilities</u>	<u>74,000</u>	<u>74,000</u>
(b) <u>Materials Management Division</u>	<u>2,400,000</u>	<u>2,400,000</u>
(c) <u>Real Estate and Construction Services</u>	<u>2,466,000</u>	<u>2,466,000</u>
(d) <u>Enterprise Real Property Program</u>	<u>674,000</u>	<u>674,000</u>
(e) <u>State Archeologist</u>	<u>215,000</u>	<u>215,000</u>
(f) <u>Information Policy Analysis</u>	<u>525,000</u>	<u>525,000</u>
(g) <u>State Demographer</u>	<u>547,000</u>	<u>547,000</u>
Subd. 3. <u>Fiscal Agent</u>	<u>11,277,000</u>	<u>10,777,000</u>

The appropriations under this section are to the commissioner of administration for the purposes specified.

In-Lieu of Rent. \$8,158,000 the first year and \$8,158,000 the second year are for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Broadcasting. (a) \$1,550,000 the first year and \$1,550,000 the second year are for matching grants for public television.

(b) \$250,000 the first year and \$250,000 the second year are for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$100,000 the first year is for a grant to Twin Cities Public Television to produce the Vietnam: Minnesota Remembers project.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amount appropriated in paragraphs (a) and (b) for equipment or matching grants.

(e) \$392,000 the first year and \$392,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(f) \$117,000 the first year and \$117,000 the second year are for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under \$500.

(g) \$310,000 the first year and \$310,000 the second year are for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(h) \$400,000 the first year is for a grant to Minnesota Public Radio, Inc. for upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(i) The appropriations in paragraphs (e), (f), (g), and (h), may not be used for indirect costs claimed by an institution or governing body.

(j) The commissioner of administration must consider the recommendations of the Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (e) and (f). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2015.

(k) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$	<u>327,000</u>	\$	<u>327,000</u>
-----------	-----------------------	-----------	-----------------------

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

<u>Subdivision 1. Total Appropriation</u>	\$	<u>21,922,000</u>	\$	<u>21,922,000</u>
--	-----------	--------------------------	-----------	--------------------------

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

<u>Subd. 2. Accounting Services</u>	<u>4,489,000</u>	<u>4,489,000</u>
<u>Subd. 3. Budget Services</u>	<u>3,376,000</u>	<u>3,376,000</u>
<u>Subd. 4. Economic Analysis</u>	<u>507,000</u>	<u>507,000</u>
<u>Subd. 5. Debt Management</u>	<u>439,000</u>	<u>439,000</u>
<u>Subd. 6. Enterprise Human Resources</u>	<u>3,209,000</u>	<u>3,209,000</u>
<u>Subd. 7. Labor Relations</u>	<u>1,039,000</u>	<u>1,039,000</u>
<u>Subd. 8. Agency Administration</u>	<u>7,870,000</u>	<u>7,870,000</u>
<u>Subd. 9. Enterprise Communication and Planning</u>	<u>993,000</u>	<u>993,000</u>

The commissioner must report to the chairs and ranking minority members of the

committees in the senate and house of representatives with jurisdiction over state government finance by September 15 of each year on funding for the executive recruiter position that was supported by appropriations to other agencies during the previous fiscal year.

Sec. 14. REVENUE

Subdivision 1. Total Appropriation **\$ 141,784,000 \$ 141,784,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>137,548,000</u>	<u>137,548,000</u>
<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
<u>Highway User Tax Distribution</u>	<u>2,184,000</u>	<u>2,184,000</u>
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

Subd. 2. Tax System Management **114,313,000 114,313,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>110,077,000</u>	<u>110,077,000</u>
<u>Health Care Access</u>	<u>1,749,000</u>	<u>1,749,000</u>
<u>Highway User Tax Distribution</u>	<u>2,184,000</u>	<u>2,184,000</u>
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

(a) Operations Support

<u>General</u>	<u>9,627,000</u>	<u>9,627,000</u>
<u>Health Care Access</u>	<u>126,000</u>	<u>126,000</u>

Taxpayer Assistance Grants. \$400,000 in fiscal year 2018 and \$400,000 in fiscal year 2019 from the general fund are for grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

For purposes of this appropriation, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns, Minnesota property tax refund claims, and to provide personal representation before the Department of Revenue and Internal Revenue Service.

(b) Appeals, Legal Services, and Tax Research

General	<u>6,961,000</u>	<u>6,961,000</u>
Health Care Access	<u>113,000</u>	<u>113,000</u>

(c) Payment and Return Processing

General	<u>12,650,000</u>	<u>12,650,000</u>
Health Care Access	<u>51,000</u>	<u>51,000</u>
Highway User Tax Distribution	<u>343,000</u>	<u>343,000</u>

(d) Administration of State Taxes

General	<u>54,958,000</u>	<u>54,958,000</u>
Health Care Access	<u>1,407,000</u>	<u>1,407,000</u>
Highway User Tax Distribution	<u>1,621,000</u>	<u>1,621,000</u>
Environmental	<u>303,000</u>	<u>303,000</u>

(e) Technology Development, Implementation, and Support

General	<u>21,873,000</u>	<u>21,873,000</u>
Health Care Access	<u>52,000</u>	<u>52,000</u>
Highway User Tax Distribution	<u>220,000</u>	<u>220,000</u>

(f) Property Tax Administration and State Aid

General	<u>4,008,000</u>	<u>4,008,000</u>
---------	------------------	------------------

Subd. 3. <u>Debt Collection Management</u>	<u>27,471,000</u>	<u>27,471,000</u>
---	-------------------	-------------------

Sec. 15. <u>GAMBLING CONTROL</u>	<u>\$ 3,324,000</u>	<u>\$ 3,324,000</u>
---	---------------------	---------------------

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. <u>RACING COMMISSION</u>	<u>\$ 835,000</u>	<u>\$ 890,000</u>
--	-------------------	-------------------

These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$32,500,000 in fiscal year 2018 and \$33,000,000 in fiscal year 2019.

Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	<u>\$</u>	<u>7,458,000</u>	<u>\$</u>	<u>292,000</u>
--	------------------	-------------------------	------------------	-----------------------

Mighty Ducks. \$7,166,000 in fiscal year 2018 is appropriated from the general fund for the purpose of making grants under Minnesota Statutes, section 240A.09, paragraph (b). This appropriation is onetime and is available until June 30, 2019.

Sec. 19. <u>COUNCIL ON MINNESOTANS OF AFRICAN HERITAGE</u>	<u>\$</u>	<u>401,000</u>	<u>\$</u>	<u>401,000</u>
---	------------------	-----------------------	------------------	-----------------------

Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	<u>\$</u>	<u>386,000</u>	<u>\$</u>	<u>386,000</u>
--	------------------	-----------------------	------------------	-----------------------

Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	<u>\$</u>	<u>364,000</u>	<u>\$</u>	<u>364,000</u>
---	------------------	-----------------------	------------------	-----------------------

Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$</u>	<u>576,000</u>	<u>\$</u>	<u>576,000</u>
---	------------------	-----------------------	------------------	-----------------------

Sec. 23. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>21,013,000</u>	<u>\$</u>	<u>21,013,000</u>
--	------------------	--------------------------	------------------	--------------------------

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

Subd. 2. <u>Operations and Programs</u>		<u>20,731,000</u>		<u>20,731,000</u>
--	--	--------------------------	--	--------------------------

Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. **Fiscal Agent**

<u>(a) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
<u>(b) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
<u>(c) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>

Balances Forward. Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. **BOARD OF THE ARTS**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>7,500,000</u>	<u>\$</u>	<u>7,500,000</u>
---	-----------	------------------	-----------	------------------

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

<u>Subd. 2. Operations and Services</u>	<u>561,000</u>	<u>561,000</u>
<u>Subd. 3. Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
<u>Subd. 4. Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>

Unencumbered Balance Available. Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year of the biennium.

Projects located in Minnesota; travel restriction. Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$</u>	<u>332,000</u>	<u>\$</u>	<u>332,000</u>
Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	<u>\$</u>	<u>609,000</u>	<u>\$</u>	<u>609,000</u>
Sec. 27. <u>BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING,</u>	<u>\$</u>	<u>754,000</u>	<u>\$</u>	<u>754,000</u>

**LANDSCAPE ARCHITECTURE, GEOSCIENCE,
AND INTERIOR DESIGN**

**Sec. 28. BOARD OF COSMETOLOGIST
EXAMINERS**

\$ 2,455,000 \$ 2,455,000

The executive director must report quarterly to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state government finance on the number of inspections conducted by license type in the past quarter, number and percent of total salons and schools inspected within the last year, total number of licensees by type, and the number of inspectors employed by the board. The first report must be submitted by July 15, 2017.

Sec. 29. BOARD OF BARBER EXAMINERS \$ 308,000 \$ 308,000

Sec. 30. GENERAL CONTINGENT ACCOUNTS \$ 1,000,000 \$ 500,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>500,000</u>	<u>-0-</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. TORT CLAIMS \$ 161,000 \$ 161,000

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. MINNESOTA STATE RETIREMENT SYSTEM

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>14,893,000</u>	<u>\$</u>	<u>15,071,000</u>
--	------------------	--------------------------	------------------	--------------------------

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

<u>Subd. 2. Combined Legislators and Constitutional Officers Retirement Plan</u>		<u>8,893,000</u>		<u>9,071,000</u>
---	--	-------------------------	--	-------------------------

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

<u>Subd. 3. Judges Retirement Plan</u>		<u>6,000,000</u>		<u>6,000,000</u>
---	--	-------------------------	--	-------------------------

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. \$6,000,000 each fiscal year is included in the base for fiscal years 2020 and 2021. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

	<u>\$</u>	<u>16,000,000</u>	<u>\$</u>	<u>16,000,000</u>
--	------------------	--------------------------	------------------	--------------------------

State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2017, and \$16,000,000 on September 15, 2018.

These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. TEACHERS RETIREMENT ASSOCIATION

\$ 29,831,000 \$ 29,831,000

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 the first year and \$27,331,000 the second year are for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 the first year and \$2,500,000 the second year are for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. ST. PAUL TEACHERS RETIREMENT FUND

\$ 9,827,000 \$ 9,827,000

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. SAVINGS FROM INSURANCE OPT OUT; APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.

The commissioner of management and budget must reduce general fund appropriations to executive agencies, including constitutional offices, for agency operations for the biennium ending June 30, 2019, by \$4,394,000 due to savings from permitting employees to opt out of insurance coverage under the state employee group insurance coverage.

If savings obtained through permitting employees to opt out of insurance coverage under the state employee group insurance coverage yield savings in nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2019 must be reflected as reductions in agency base budgets for fiscal years 2020 and 2021. The commissioner of management and budget must report to the chairs and ranking minority members of the committees in the senate Finance Committee and the house of representatives Ways and Means Committee regarding the amount of reductions in spending by each agency under this section.

Sec. 37. SAVINGS FROM INFORMATION TECHNOLOGY CONSOLIDATION COMPLETION; APPROPRIATION REDUCTION FOR MN.IT.

The appropriation to the Office of MN.IT Services for the biennium ending June 30, 2019, is reduced by \$3,000,000 due to savings on personnel costs resulting from efficiencies achieved through completion of the executive branch information technology consolidation required by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29.

If savings obtained through completion of information technology consolidation yield savings in nongeneral funds other than those established in the state constitution or protected by federal law, the chief information officer may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2019 must be reflected as reductions in agency base budgets for fiscal years 2020 and 2021.

Sec. 38. APPROPRIATION CANCELLATIONS.

All unspent funds of the James Metzen Mighty Ducks Ice Center Development Act, estimated to be \$7,166,000, as provided in Minnesota Statutes, section 240A.085, under Laws 2016, chapter 189, article 13, section 56, are canceled to the general fund on June 30, 2017.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2016, section 4.46, is amended to read:

4.46 WASHINGTON OFFICE.

The governor may appoint employees for the Washington, D.C., office of the state of Minnesota and may prescribe their duties. In the operation of the office, the governor may expend money appropriated by the legislature to the governor for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of management and budget. An agency may not transfer money to the governor for services provided by the governor or expenses incurred in operating a Washington, D.C., office or for staff working on federal issues.

Sec. 2. Minnesota Statutes 2016, section 6.481, subdivision 6, is amended to read:

Subd. 6. **Payments to state auditor.** A county audited by the state auditor must pay the state auditor for the costs and expenses of the audit. If the state auditor makes additional examinations of a county whose audit is performed by a CPA firm, the county must pay the auditor for the cost of these examinations. Payments must be deposited in the state auditor enterprise general fund.

Sec. 3. Minnesota Statutes 2016, section 6.56, subdivision 2, is amended to read:

Subd. 2. **Billings by state auditor.** Upon the examination of the books, records, accounts, and affairs of any political subdivision, as provided by law, such political subdivision shall be liable to the state for the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The state auditor may bill such political subdivision periodically for service rendered and the officials responsible for approving and paying claims are authorized to pay said bill promptly. Said payments shall be without prejudice to any defense against said claims that may exist or be asserted. The ~~state auditor enterprise~~ general fund shall be credited with all collections made for any such examinations, including interest payments made pursuant to subdivision 3.

Sec. 4. Minnesota Statutes 2016, section 6.581, subdivision 4, is amended to read:

Subd. 4. **Reports to legislature.** At least 30 days before implementing increased charges for examinations, the state auditor must report the proposed increases to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over the budget of the state auditor. By January 15 of each odd-numbered year, the state auditor must report to the chairs and ranking minority members of the legislative committees and divisions with primary jurisdiction over the budget of the state auditor a summary of ~~the state auditor enterprise fund~~ anticipated revenues, and expenditures related to examinations for the biennium ending June 30 of that year. The report must also include for the biennium the number of full-time equivalents ~~paid by the fund~~ related to the examinations, any audit rate changes stated as a percentage, the number of audit reports issued, and the number of counties audited.

Sec. 5. **[6.92] LITIGATION EXPENSES.**

(a) Unless funds are otherwise expressly provided by law for this purpose, all costs incurred by the state auditor in preparing and asserting a civil claim or appeal, or in defending against a civil claim or appeal, related to the proper exercise of the auditor's constitutionally authorized core functions must be paid by the auditor's constitutional office division. Only allocations made to the constitutional office division may be used to pay these costs. The state auditor must report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over the Office of the State Auditor by May 1, 2017, and January 1, 2018, and each January 1 thereafter, on the state auditor's litigation expenses. The report must list each lawsuit the state auditor has brought or is defending, the grounds for each suit, the litigation expenses incurred since the previous report under this section, and the projected expenses to complete the suit.

(b) In complying with paragraph (a), the state auditor may not, directly or indirectly, decrease allocations previously made to, transfer funds from, or otherwise reduce services provided by any other division of the office.

Sec. 6. **[14.1275] RULES IMPACTING RESIDENTIAL CONSTRUCTION OR REMODELING; LEGISLATIVE NOTICE AND REVIEW.**

Subdivision 1. **Definition.** As used in this section, "residential construction" means the new construction or remodeling of any building subject to the Minnesota Residential Code.

Subd. 2. **Impact on housing cost; agency determination.** An agency must determine if implementation of a proposed rule, or any portion of a proposed rule, will, on average, increase the

cost of residential construction or remodeling by \$1,000 or more per unit. The agency must make this determination before the close of the hearing record. Upon request of a party affected by the proposed rule, an administrative law judge must review and approve or disapprove an agency's determination that any portion of a proposed rule will increase the cost of a dwelling unit by \$1,000 or more.

Subd. 3. **Notice to legislature; legislative approval.** (a) If the agency determines that the impact of a proposed rule meets or exceeds the cost threshold provided in subdivision 2, or if the administrative law judge separately confirms the cost of any portion of a rule exceeds the cost threshold provided in subdivision 2, the agency must notify, in writing, the chairs and ranking minority members of the policy committees of the house of representatives and the senate with jurisdiction over the subject matter of the proposed rule within ten days of the determination.

(b) If a committee of either the house of representatives or senate with jurisdiction over the subject matter of the proposed rule or a portion of a rule that meets or exceeds the threshold in subdivision 2 votes to advise an agency that the rule should not be adopted as proposed, the agency may not adopt the rule unless the rule is approved by a law enacted after the vote of the committee. Section 14.126, subdivision 2, applies to a vote of a committee under this subdivision.

Subd. 4. **Severability.** If the agency or an administrative law judge determines that part of a proposed rule meets or exceeds the threshold provided in subdivision 2, but that a severable portion of the proposed rule does not meet or exceed that threshold, the agency may proceed to adopt the severable portions of the proposed rule regardless of whether a legislative committee has voted under subdivision 3 to advise an agency that the rule should not be adopted as proposed.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to administrative rules proposed on or after that date.

Sec. 7. Minnesota Statutes 2016, section 14.18, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Unless a later date is required by section 14.126 or other law or is specified in the rule, a rule is effective after:

(1) it has been subjected to all requirements described in sections 14.131 to 14.20 ~~and five working days after;~~

(2) the notice of adoption is published in the State Register ~~unless a later date is required by section 14.126 or other law or specified in the rule;~~ and

(3) it has been approved by a law enacted after publication of the notice of adoption; ~~if any of the following applies:~~

(i) the rule is enacted without a specific authorization of rulemaking to enact rules to implement a specific statute section;

(ii) a sanction or penalty can be imposed for failure to comply with the rule; or

(iii) the regulating agency has the authority to adjudicate a dispute with a regulated entity about enforcement of or violation of the rule.

If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule that differ from the proposed rule must be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifications may also be made that comply with the form requirements of section 14.07, subdivision 7.

If the agency omitted from the notice of proposed rule adoption the text of the proposed rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the chief administrative law judge may provide that the notice of the adopted rule need not include the text of any changes from the proposed rule. However, the notice of adoption must state in detail the substance of the changes made from the proposed rule, and must state that a free copy of the portion of the adopted rule that was the subject of the rulemaking proceeding, not including any material adopted by reference as permitted by section 14.07, is available upon request to the agency.

Sec. 8. Minnesota Statutes 2016, section 14.27, is amended to read:

14.27 PUBLICATION OF ADOPTED RULE; EFFECTIVE DATE.

(a) Except as provided in paragraph (b), the rule is effective upon after publication of the notice of adoption in the State Register in the same manner as provided for adopted rules in section 14.18.

(b) A rule is effective after publication of the notice of adoption in the State Register and after approval by law in the same manner as provided for adopted rules in section 14.18, if any of the following applies:

(1) the rule is enacted without a specific authorization of rulemaking to enact rules to implement a specific statute section;

(2) a sanction or penalty can be imposed for failure to comply with the rule; or

(3) the regulating agency has the authority to adjudicate a dispute with a regulated entity about enforcement of or violation of the rule.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to rules for which a notice of adoption is published on or after that date.

Sec. 9. Minnesota Statutes 2016, section 14.389, subdivision 3, is amended to read:

Subd. 3. **Adoption.** (a) The agency may modify a proposed rule if the modifications do not result in a substantially different rule, as defined in section 14.05, subdivision 2, paragraphs (b) and (c). If the final rule is identical to the rule originally published in the State Register, the agency must publish a notice of adoption in the State Register. If the final rule is different from the rule originally published in the State Register, the agency must publish a copy of the changes in the State Register. The agency must also file a copy of the rule with the governor. ~~The rule is effective upon publication in the State Register.~~

(b) Except as provided in paragraph (c), the rule is effective upon publication in the State Register.

(c) The rule is effective upon publication of the notice of adoption if it has been approved by a law enacted after publication of the notice of adoption, if any of the following applies:

(1) the rule is enacted without a specific authorization of rulemaking to enact rules to implement a specific statute section;

(2) a sanction or penalty can be imposed for failure to comply with the rule; or

(3) the regulating agency has the authority to adjudicate a dispute with a regulated entity about enforcement of or violation of the rule.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to rules for which a notice of adoption is published on or after that date.

Sec. 10. Minnesota Statutes 2016, section 14.57, is amended to read:

14.57 INITIATION; DECISION; AGREEMENT TO ARBITRATE.

(a) An agency shall initiate a contested case proceeding when one is required by law. ~~Unless otherwise provided by law, An agency shall decide~~ submit a contested case ~~only~~ to the Office of Administrative Hearings for disposition in accordance with the contested case procedures of the Administrative Procedure Act. Upon initiation of a contested case proceeding, ~~an agency may, by order, provide that~~ the report or order of the administrative law judge constitutes the final decision in the case.

(b) As an alternative to initiating or continuing with a contested case proceeding, the parties, subsequent to agency approval, may enter into a written agreement to submit the issues raised to arbitration by an administrative law judge according to sections 572B.01 to 572B.31.

EFFECTIVE DATE. This section is effective August 1, 2017, and applies to contested cases initiated on or after that date.

Sec. 11. **[14.605] AFFIRMATIVE DEFENSE.**

In a contested case or any other action to enforce a rule or to sanction or penalize a person for violation of a rule, a person shall have an affirmative defense if the person shows by a preponderance of the evidence that the cost for the person to comply with the rule exceeds \$50,000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to rules for which a notice of adoption is published on or after that date.

Sec. 12. **[16A.1282] TRANSFERS TO THE GOVERNOR.**

An agency shall not transfer money to the governor for services provided by the governor or to reimburse expenses incurred by the governor.

Sec. 13. Minnesota Statutes 2016, section 16A.90, is amended to read:

16A.90 EMPLOYEE GAINSHARING SYSTEM.

Subdivision 1. **Commissioner must establish program.** The commissioner shall establish a program to provide onetime bonus compensation to state employees for efforts made to reduce the costs of operating state government or for ways of providing better or more efficient state services. The commissioner may authorize an executive branch appointing authority to make a onetime award to an employee or group of employees whose suggestion or involvement in a project is determined by the commissioner to have resulted in documented cost-savings to the state. Before authorizing awards under this section, the commissioner shall establish guidelines for the program including but not limited to:

(1) the maximum award is ten percent of the documented savings in the first fiscal year in which the savings are realized up to \$50,000;

(2) the award ~~must~~ may be paid in an amount up to \$2,500 per employee per award from ~~the~~ an appropriation to ~~which the savings accrued~~ the agency for operations that is not otherwise designated for a specific purpose by law; and

(3) employees whose primary job responsibility is to identify cost savings or ways of providing better or more efficient state services are generally not eligible for bonus compensation under this section except in extraordinary circumstances as defined by the commissioner.

Subd. 2. **Biannual legislative report.** No later than August 1, 2017, and biannually thereafter, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over Minnesota Management and Budget on the status of the program required by this section. The report must detail:

(1) the specific program guidelines established by the commissioner as required by subdivision 1, if the guidelines have not been described in a previous report;

(2) any proposed modifications to the established guidelines under consideration by the commissioner, including the reason for the proposed modifications;

(3) the methods used by the commissioner to promote the program to state employees, if the methods have not been described in a previous report;

(4) a summary of the results of the program that includes the following, categorized by agency:

(i) the number of state employees whose suggestions or involvement in a project were considered for possible bonus compensation, and a description of each suggestion or project that was considered;

(ii) the total amount of bonus compensation actually awarded, itemized by each suggestion or project that resulted in an award and the amount awarded for that suggestion or project; and

(iii) the total amount of documented cost-savings that accrued to the agency as a result of each suggestion or project for which bonus compensation was granted; and

(5) any recommendations for legislation that, in the judgment of the commissioner, would improve the effectiveness of the bonus compensation program established by this section or which would otherwise increase opportunities for state employees to actively participate in the development

and implementation of strategies for reducing the costs of operating state government or for providing better or more efficient state services.

Sec. 14. Minnesota Statutes 2016, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the Assistive Technology Act, as provided by Public Law 108-364, as amended. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

- (1) State Services for the Blind who has assistive technology expertise;
- (2) vocational rehabilitation services who has assistive technology expertise;
- (3) the Workforce Development Council; and
- (4) the Department of Education who has assistive technology expertise.

Sec. 15. Minnesota Statutes 2016, section 16B.371, is amended to read:

16B.371 ASSISTANCE TO SMALL AGENCIES.

(a) The commissioner may provide administrative support services to small agencies. To promote efficiency and cost-effective use of state resources, and to improve financial controls, the commissioner may require a small agency to receive administrative support services through the Department of Administration or through another agency designated by the commissioner. Services subject to this section include finance, accounting, payroll, purchasing, human resources, and other services designated by the commissioner. The commissioner may determine what constitutes a small agency for purposes of this section. The commissioner, in consultation with the commissioner of management and budget and small agencies, shall evaluate small agencies' needs for administrative support services. If the commissioner provides administrative support services to a small agency, the commissioner must enter into a service level agreement with the agency, specifying the services to be provided and the costs and anticipated outcomes of the services.

(b) The Minnesota Council on Latino Affairs, the Council for Minnesotans of African Heritage, the Council on Asian-Pacific Minnesotans, the Indian Affairs Council, and the Minnesota State Council on Disability must use the services specified in paragraph (a).

(c) The commissioner of administration ~~may~~ must assess agencies for services it provides under this section. The amounts assessed are appropriated to the commissioner.

(d) For agencies covered in this section, the commissioner has the authority to require the agency to comply with applicable state finance, accounting, payroll, purchasing, and human resources policies. The agencies served retain the ownership and responsibility for spending decisions and for ongoing implementation of appropriate business operations.

Sec. 16. Minnesota Statutes 2016, section 16E.0466, is amended to read:

16E.0466 STATE AGENCY TECHNOLOGY PROJECTS.

Subdivision 1. Consultation required. (a) Every state agency with an information or telecommunications project must consult with the Office of MN.IT Services to determine the information technology cost of the project. Upon agreement between the commissioner of a particular agency and the chief information officer, the agency must transfer the information technology cost portion of the project to the Office of MN.IT Services. Service level agreements must document all project-related transfers under this section. Those agencies specified in section 16E.016, paragraph (d), are exempt from the requirements of this section.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, subject to the review of the Legislative Advisory Commission, under section 16E.21, subdivision 3.

Subd. 2. Legislative report. No later than October 1, 2017, and quarterly thereafter, the state chief information officer must submit a comprehensive project portfolio report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance on projects requiring consultation under subdivision 1. The report must itemize:

- (1) each project presented to the office for consultation in the time since the last report;
 - (2) the information technology cost associated with the project, including the information technology cost as a percentage of the project's complete budget;
 - (3) the status of the information technology components of the project's development;
 - (4) the date the information technology components of the project are expected to be completed;
- and
- (5) the projected costs for ongoing support and maintenance of the information technology components after the project is complete.

Sec. 17. Minnesota Statutes 2016, section 43A.17, subdivision 11, is amended to read:

Subd. 11. **Severance pay for certain employees.** (a) For purposes of this subdivision, "highly compensated employee" means an employee of the state whose estimated annual compensation is greater than 60 percent of the governor's annual salary, and who is not covered by a collective bargaining agreement negotiated under chapter 179A or a compensation plan authorized under section 43A.18, subdivision 3a.

(b) Severance pay for a highly compensated employee includes benefits or compensation with a quantifiable monetary value, that are provided for an employee upon termination of employment and are not part of the employee's annual wages and benefits and are not specifically excluded by this subdivision. Severance pay does not include payments for accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to cover the cost of group term insurance. Severance pay for a highly compensated employee does not include payments of periodic contributions by an employer toward premiums for group insurance policies. The severance pay for a highly compensated employee must be excluded from retirement deductions and from any calculations of retirement benefits. Severance pay for a highly compensated employee must be paid in a manner mutually agreeable to the employee and the employee's appointing authority over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, the balance due must be paid to a named beneficiary or, lacking one, to the deceased's estate. Except as provided in paragraph (c), severance pay provided for a highly compensated employee leaving employment may not exceed ~~an amount~~ equivalent to six months of pay the lesser of:

(1) six months pay; or

(2) the highly compensated employee's regular rate of pay multiplied by 35 percent of the highly compensated employee's accumulated but unused sick leave hours.

(c) Severance pay for a highly compensated employee may exceed ~~an amount equivalent to six months of pay~~ the limit prescribed in paragraph (b) if the severance pay is part of an early retirement incentive offer approved by the state and the same early retirement incentive offer is also made available to all other employees of the appointing authority who meet generally defined criteria relative to age or length of service.

(d) An appointing authority may make severance payments to a highly compensated employee, up to the limits prescribed in this subdivision, only if doing so is authorized by a compensation plan under section 43A.18 that governs the employee, provided that the following highly compensated employees are not eligible for severance pay:

(1) a commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, including the state chief information officer; and

(2) any unclassified employee who is also a public official, as defined in section 10A.01, subdivision 35.

(e) Severance pay shall not be paid to a highly compensated employee who has been employed by the appointing authority for less than six months or who voluntarily terminates employment.

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

Sec. 18. Minnesota Statutes 2016, section 43A.24, is amended by adding a subdivision to read:

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any individual declining benefits must do so in writing, signed and dated, on a form provided by the commissioner.

(b) The commissioner must create, and make available in hard copy and online a form for individuals to use in declining state-paid hospital, medical, and dental benefits. The form must, at a minimum, include notice to the declining individual of the next available opportunity and procedure to re-enroll in the benefits.

Sec. 19. Minnesota Statutes 2016, section 155A.23, is amended by adding a subdivision to read:

Subd. 9a. **Salon manager.** A "salon manager" is any person who is a practitioner and licensed to serve as a designated licensed salon manager, as defined in section 155A.23, subdivision 15.

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

Sec. 20. Minnesota Statutes 2016, section 155A.23, subdivision 10, is amended to read:

Subd. 10. **School.** A "school" is a place where any person ~~operates and maintains a class to teach~~ provides training on regulated cosmetology to the public for compensation services requiring licensure. "School" does not include a place where the only teaching of cosmetology is ~~done by a licensed cosmetologist as part of a community education program of less than ten hours duration, provided that the program does not permit practice on persons other than students in the program, and provided that the program is intended solely for the self-improvement of the students and not as preparation for professional practice.~~ continuing education course required for license renewal, additional training offered to licensed individuals, or training intended solely for the self-improvement of the attendees and not as preparation for professional practice.

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

Sec. 21. Minnesota Statutes 2016, section 155A.23, subdivision 15, is amended to read:

Subd. 15. **Designated licensed salon manager.** A "designated licensed salon manager" is a licensed salon manager designated by a salon owner and registered with the board, who is responsible with the salon owner for salon and practitioner compliance.

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

Sec. 22. Minnesota Statutes 2016, section 155A.23, subdivision 16, is amended to read:

Subd. 16. **School manager.** A "school manager" is a ~~cosmetologist who is a salon manager and who has a school manager license.~~ A school manager must maintain an active salon manager's license person who is licensed to serve as a designated school manager, as defined in section 155A.23, subdivision 17.

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

Sec. 23. Minnesota Statutes 2016, section 155A.29, subdivision 1, is amended to read:

Subdivision 1. **Licensing.** A person must not offer cosmetology services for compensation unless the services are provided by a licensee in a licensed salon or as otherwise provided in this section. Each salon must be licensed ~~as a cosmetology salon, a nail salon, esthetician salon, advanced practice esthetician salon, or eyelash extension salon. A salon may hold more than one type of salon license.~~

Sec. 24. Minnesota Statutes 2016, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** The conditions and process by which a salon is licensed shall be established by the board by rule. In addition to those requirements, no license shall be issued unless the board first determines that the conditions in clauses (1) to (5) have been satisfied:

(1) compliance with all local and state laws, particularly relating to matters of infection control, health, and safety;

(2) the ~~employment~~ appointment of a designated licensed salon manager, as defined in section 155A.23, subdivision ~~8~~ 15;

(3) if applicable, evidence of compliance with workers' compensation section 176.182; and

(4) evidence of continued professional liability insurance coverage of at least \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

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

Sec. 25. Minnesota Statutes 2016, section 155A.30, subdivision 2, is amended to read:

Subd. 2. **Standards.** The board shall by rule establish minimum standards of course content and length specific to the educational preparation prerequisite to testing and practitioner licensing ~~as cosmetologist, esthetician, and nail technician.~~

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

Sec. 26. Minnesota Statutes 2016, section 155A.30, subdivision 5, is amended to read:

Subd. 5. **Conditions precedent to issuance.** A license must not be issued unless the board first determines that the applicant has met the requirements in clauses (1) to ~~(8)~~ (9):

(1) the applicant must have a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and to maintain proper use and support of the school;

(2) the applicant must have satisfactory training facilities with sufficient tools and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(3) the applicant must employ a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(4) the premises and conditions under which the students work and study must be sanitary, healthful, and safe according to modern standards;

(5) each occupational course or program of instruction or study must be of such quality and content as to provide education and training that will adequately prepare enrolled students for testing, licensing, and entry level positions ~~as a cosmetologist, esthetician, or nail technician;~~

(6) the school must have coverage by professional liability insurance of at least \$25,000 per incident and an accumulation of \$150,000 for each premium year;

(7) the applicant shall provide evidence of the school's compliance with section 176.182;

(8) the applicant, except the state and its political subdivisions as described in section ~~471.617~~ 13.02, subdivision ~~11~~, ~~shall~~ must file with the board a continuous corporate surety bond in the amount of no less than ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000, conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. New schools must base the bond amount on the anticipated gross income from student tuition, fees, and other required institutional charges for the third year of operation, but in no event less than \$10,000. The applicant must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. The bond shall run to the ~~state of Minnesota~~ board and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. ~~The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed \$10,000.~~ The surety of the bond may cancel it upon giving 60 days' notice in writing to the board and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation; and

(9) the applicant must, ~~at all times during the term of the license, employ~~ appoint a designated ~~licensed school manager who maintains a cosmetology salon manager license.~~

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

Sec. 27. Minnesota Statutes 2016, section 179A.20, is amended by adding a subdivision to read:

Subd. 2b. **Limited by appropriation.** A public employer may not contract to pay more to employees in compensation and benefits in a biennium than is permitted under an approved spending plan as provided in section 16A.14.

Sec. 28. Minnesota Statutes 2016, section 240.15, subdivision 6, is amended to read:

Subd. 6. **Disposition of proceeds; account.** The commission shall distribute all money received under this section, and, except as provided otherwise by section 240.131, all money received from license fees, regulatory fees, and fines it collects, according to this subdivision. All money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by simulcasts must be distributed as provided in section

240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. Taxes received under this section must be paid to the commissioner of management and budget for deposit in the general fund. All revenues from licenses and other fees imposed by the commission must be deposited in the state treasury and credited to a racing and card playing regulation account in the special revenue fund. Receipts in this account are available for the operations of the commission up to the amount authorized in biennial appropriations from the legislature. If a fiscal biennium ends without the enactment of an appropriation to the commission for the following biennium, receipts in this account are annually appropriated to the commission for the operations of the commission up to the amount authorized in the second year of the most recently enacted biennial appropriation, until a biennial appropriation is enacted.

Sec. 29. Minnesota Statutes 2016, section 240.155, subdivision 1, is amended to read:

Subdivision 1. **Reimbursement account credit.** Money received by the commission as reimbursement for the costs of services provided by veterinarians, stewards, ~~and~~ medical testing of horses, and fees received by the commission in the form of fees for regulatory services must be deposited in the state treasury and credited to a racing reimbursement account in the special revenue fund, except as provided under subdivision 2. Receipts are appropriated, within the meaning of article XI, section 1, of the Minnesota Constitution, to the commission to pay the costs of providing the services and all other costs necessary to allow the commission to fulfill its regulatory oversight duties required by chapter 240 and commission rule. If the major appropriation bills needed to finance state government are not enacted by the beginning of a fiscal biennium, the commission shall continue operations as required by chapter 240 and commission rule.

Sec. 30. **[240.1561] APPROPRIATION FOR FUNCTIONS SUPPORTING ONGOING OPERATION OF THE RACING COMMISSION.**

If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money for the next biennium to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts necessary to operate those functions associated with operation of the Racing Commission under chapter 240 are appropriated for the next biennium from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of management and budget for a biennium in which this section has been applied shall supersede and replace the funding authorized in this section.

Sec. 31. Minnesota Statutes 2016, section 240A.09, is amended to read:

240A.09 PLAN DEVELOPMENT; CRITERIA.

The Minnesota Amateur Sports Commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, the commission will give priority to proposals that come from more than one local government unit. Institutions of higher education are not eligible to receive a grant.

(b) The commission must give priority to grant applications for indoor air quality improvements and projects that eliminate R-22. For purposes of this section:

(1) "indoor air quality improvements" means: (i) renovation or replacement of heating, ventilating, and air conditioning systems in existing indoor ice arenas whose ice resurfacing and ice edging equipment are not powered by electricity in order to reduce concentrations of carbon monoxide and nitrogen dioxide; and (ii) acquisition of zero-emission ice resurfacing and ice edging equipment. The new or renovated systems may include continuous electronic air monitoring devices to automatically activate the ventilation systems when the concentration of carbon monoxide or nitrogen dioxide reaches a predetermined level; and

(2) "projects that eliminate R-22," means replacement of ice-making systems in existing public facilities that use R-22 as a refrigerant, with systems that use alternative non-ozone-depleting refrigerants.

(c) In the metropolitan area as defined in section 473.121, subdivision 2, the commission is encouraged to give priority to the following proposals:

(1) proposals for construction of two or more ice sheets in a single new facility;

(2) proposals for construction of an additional sheet of ice at an existing ice center;

(3) proposals for construction of a new, single sheet of ice as part of a sports complex with multiple sports facilities; and

(4) proposals for construction of a new, single sheet of ice that will be expanded to a two-sheet facility in the future.

(d) The commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(e) Proposals for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(f) The location for all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(g) To the extent possible, all proposed facilities must be dispersed equitably, must be located to maximize potential for full utilization and profitable operation, and must accommodate noncompetitive family and community skating for all ages.

(h) The commission may also use the money to upgrade current facilities, purchase girls' ice time, or conduct amateur women's hockey and other ice sport tournaments.

(i) To the extent possible, 50 percent of all grants must be awarded to communities in greater Minnesota.

(j) To the extent possible, technical assistance shall be provided to Minnesota communities by the commission on ice arena planning, design, and operation, including the marketing of ice time and on projects described in paragraph (b).

(k) A grant for new facilities may not exceed \$250,000.

(l) The commission may make grants for rehabilitation and renovation. A rehabilitation or renovation grant for air quality may not exceed \$200,000 and a rehabilitation or renovation grant for R-22 elimination may not exceed ~~\$50,000~~ \$250,000 for indirect cooling systems and may not exceed ~~\$400,000~~ \$500,000 for direct cooling systems. Priority must be given to grant applications for indoor air quality improvements, including zero emission ice resurfacing equipment, and for projects that eliminate R-22.

(m) Grant money may be used for ice centers designed for sports other than hockey.

(n) Grant money may be used to upgrade existing facilities to comply with the bleacher safety requirements of section 326B.112.

Sec. 32. Minnesota Statutes 2016, section 349A.08, subdivision 2, is amended to read:

Subd. 2. **Prizes not assignable.** A prize in the state lottery is not assignable ~~except as provided in subdivision 3 and~~ except that:

(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and

(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.

Sec. 33. Minnesota Statutes 2016, section 349A.10, subdivision 6, is amended to read:

Subd. 6. **Budget; plans.** (a) The director shall prepare and submit a biennial budget plan to the commissioner of management and budget. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year.

(b) For purposes of this section, operating expenses shall not include:

(1) expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, and amounts paid to an outside vendor to operate and maintain an online gaming system. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year; and

(2) expenses related solely to the noncash year-end adjustment required for government agencies to adjust the net actuarially determined pension liability which includes deferred inflows, deferred outflows, noncash pension expense, unrestricted net deficit, and net pension liability, in accordance with Statement 68 of the Governmental Accounting Standards Board.

Sec. 34. Laws 2016, chapter 127, section 8, is amended to read:

Sec. 8. **EFFECTIVE DATE; APPLICATION.**

Sections 1 to 7 are effective the day following final enactment. With respect to eyelash technicians, the Board of Cosmetologist Examiners must not enforce sections 1 to 7 until ~~July 1, 2017~~ February 1, 2018. Any educational or training requirements developed by the board regarding eyelash technicians must be 14 hours.

Sec. 35. **TRANSITION.**

Notwithstanding any law to the contrary, receipts received by the state auditor on or after July 1, 2017, from examinations conducted by the state auditor under Minnesota Statutes, chapter 6, must be credited to the general fund. Amounts in the state auditor enterprise fund at the end of fiscal year 2017 are transferred to the general fund.

Sec. 36. **ADVISORY TASK FORCE ON FISCAL NOTES.**

Subdivision 1. **Membership.** The Advisory Task Force on Fiscal Notes consists of the following 13 voting members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader;

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house of representatives;

(3) the commissioner of management and budget or a designee;

(4) the state budget director or designee;

(5) two fiscal note coordinators selected by the commissioner of management and budget; and

(6) one member appointed by the governor from the Office of the Governor.

The lead fiscal analyst for the senate or a designee and the chief fiscal analyst for the house of representatives or a designee shall serve on the task force as nonvoting members.

Subd. 2. **Fiscal note.** As used in this section, "fiscal note" means a document containing the items listed in Minnesota Statutes, section 3.98, subdivision 2.

Subd. 3. **Duties.** The task force shall conduct a review of options for providing fiscal notes to the legislature and the executive branch. The task force shall compare the current fiscal note process

with a fiscal note process coordinated by a new legislative budget office. In evaluating options and developing recommendations, the task force shall consider the following:

- (1) the legislative auditor's 2012 report on fiscal notes;
- (2) the needs of the legislature for timely, accurate, unbiased fiscal notes prepared in a cost-effective manner;
- (3) the time it takes to obtain a fiscal note under the current system and the time it is expected to take to obtain a fiscal note through a new legislative budget office;
- (4) the accuracy of fiscal notes under the current system and the anticipated accuracy of fiscal notes from a new legislative budget office;
- (5) methods used by other states for preparing fiscal notes;
- (6) the effect that legislative scheduling and amendments have on accuracy and timing of fiscal notes, under the current system or through a new legislative budget office;
- (7) the extent to which legislative staff suggest changes and corrections to fiscal notes and the responsiveness of the executive branch to those suggestions under the current fiscal note process and the anticipated responsiveness of a new legislative budget office;
- (8) the cost of generating fiscal notes under the current system and the cost for generating fiscal notes under a new legislative budget office;
- (9) whether there are sufficient safeguards under the current fiscal note process to ensure that fiscal notes are generated without political or ideological bias or influence and what safeguards would need to be put in place to ensure that a new legislative budget office would generate fiscal notes without political or ideological bias or influence; and
- (10) options for additional duties for a new legislative budget office that would complement the duty to generate fiscal notes, including a role for the office in performance-based budgeting.

Subd. 4. **Report.** The task force shall report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over the fiscal note process by June 1, 2018, with recommendations for modifying the fiscal note process. The report must include any draft legislation needed to implement the recommendations.

Subd. 5. **Chair; vice chair.** The task force shall elect a chair from among the members who are legislators by a majority vote of those members present. The task force shall elect a vice chair from among the voting members who are not legislators.

Subd. 6. **Meetings.** The meetings of the commission are subject to Minnesota Statutes, section 3.055.

Subd. 7. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the task force.

Subd. 8. **Compensation.** Members who are not legislators serve without compensation.

Subd. 9. **Expiration.** This section expires the day after submitting the report required in subdivision 3.

Subd. 10. **First appointments.** Appointing authorities must make initial appointments to the Advisory Task Force on Fiscal Notes by June 1, 2017.

Subd. 11. **First meeting.** The majority leader of the senate shall designate one senate member of the Advisory Task Force on Fiscal Notes to convene the first meeting by August 1, 2017. The commission must select a chair from among the senate members at the first meeting.

Sec. 37. MN.IT; PERFORMANCE OUTCOMES REQUIRED.

Subdivision 1. **Completion of agency consolidation.** No later than December 31, 2018, the state chief information officer must complete the executive branch information technology consolidation required by Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29. The head of any state agency subject to consolidation must assist the state chief information officer as necessary to implement the requirements of this subdivision.

Subd. 2. **Information technology efficiencies and solutions.** No later than December 31, 2018, the state chief information officer shall:

- (1) host at least 25 percent of all state agency servers on a public cloud solution;
- (2) store at least 35 percent of all state agency data on a public cloud solution; and
- (3) operate no more than six data centers statewide.

Subd. 3. **Personnel efficiencies.** No later than June 30, 2019, the state chief information officer shall reduce the Office of MN.IT Services' total cost for personnel by at least \$3,000,000.

Subd. 4. **Legislative report; application consolidation.** No later than January 1, 2018, the state chief information officer must submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance on the status of business application software consolidation across state agencies. At a minimum, the report must describe the outcomes achieved to date, a plan and timeline for continued consolidation of business application software with measurable outcome goals, and recommendations, if any, on legislation necessary to facilitate achievement of these goals.

Sec. 38. REIMBURSEMENT OF LEGAL COSTS FOR WRIGHT, BECKER, AND RAMSEY COUNTIES.

The state auditor shall reimburse Wright, Becker, and Ramsey Counties for legal fees incurred and costs and disbursements made as a result of defending against the state auditor's lawsuit against them.

Sec. 39. SCHEDULE OF CHARGES.

Notwithstanding Minnesota Statutes, section 6.581, subdivision 3, or any other law to the contrary, the rates included in the state auditor's schedule of charges for examinations conducted in

calendar year 2017 must be no greater than the rates included in the schedule of charges established for examinations conducted in calendar year 2016.

Sec. 40. LEGISLATIVE COMMISSION TO REVIEW CONSOLIDATION OF THE STATE'S INFORMATION TECHNOLOGY.

Subdivision 1. **Definitions.** As used in this section, "information technology" means information and telecommunications technology systems and services; and "consolidation" means the reorganization of the state's information technology under a single agency as provided under Laws 2011, First Special Session chapter 10, article 4, section 7, as amended by Laws 2013, chapter 134, section 29.

Subd. 2. **Membership.** The Legislative Commission to Review Consolidation of the State's Information Technology consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the house minority leader.

Subd. 3. **Terms; vacancies.** Members of the commission serve until the commission sunsets. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that preserves the representation established by this section.

Subd. 4. **Duties.** The commission shall review the results achieved by the state's consolidation of its information technology under one agency.

Subd. 5. **Chair.** The commission shall elect a chair by a majority vote of those members present.

Subd. 6. **Meetings.** The meetings of the commission are subject to Minnesota Statutes, section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity.

Subd. 7. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 8. **Compensation.** Members may receive per diem for attending commission meetings in accordance with the rules of their respective bodies and may be reimbursed for their reasonable expenses as provided by the rules of their respective legislative bodies.

Subd. 9. **Report.** By April 30, 2018, the commission shall report the results of the commission's review to the chairs and ranking minority members of the committees in the senate and in the house of representatives with jurisdiction over state government policy and state government finance. The report should address the following topics:

(1) the number of full-time employees that provided information technology services to state agencies prior to the consolidation and the number of full-time employees that provide information technology services to state agencies in fiscal year 2017;

(2) the cost to the state of information technology in the year prior to consolidation and the cost in fiscal year 2017;

(3) the usefulness, effectiveness, and efficiency of information technology now used by state agencies and how this compares to prior consolidation;

(4) the responsiveness of MN.IT staff to requests for service from state agencies, and how this compares to the responsiveness of information technology staff prior to consolidation; and

(5) a conclusion as to whether a consolidated information technology office is the best option for supplying information technology to state agencies.

Subd. 10. **Sunset.** The commission sunsets April 30, 2018, or the day after submission of the report required in subdivision 9, whichever is earlier.

Subd. 11. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission to Review Consolidation of the State's Information Technology by June 1, 2017.

Subd. 12. **First meeting.** The member designated by the senate majority leader shall convene the first meeting of the Legislative Commission to Review Consolidation of the State's Information Technology under this section by September 15, 2017.

Sec. 41. MINNESOTA ADMINISTRATIVE RULES STATUS SYSTEM (MARSS) WORKING GROUP.

Subdivision 1. **Creation.** The MARSS working group consists of the following nine members:

(1) the chief judge of the Office of Administrative Hearings, or a designee;

(2) the secretary of state, or a designee;

(3) a representative from the Interagency Rules Committee (IRC) appointed by the committee;

(4) a representative from each of the following agencies with rulemaking experience appointed by the appropriate commissioner:

(i) the Department of Health;

(ii) the Minnesota Pollution Control Agency;

(iii) the Department of Transportation; and

(iv) the Department of Labor and Industry;

(5) as designated by the IRC, a representative from a health-related board; and

(6) as designated by the IRC, a representative from a non-health-related board.

Subd. 2. **MARSS description.** The Minnesota Administrative Rules Status System (MARSS) is a concept for a new software application. The application would be built and maintained by the

Revisor's Office. Executive branch agencies and others would upload official rulemaking record documents to the system. The goal is to improve public access, security, preservation, and transparency of state agencies' official rulemaking records through the creation of a single online records system. The system would serve as a single Internet location for the public to track rulemaking progress and access the official rulemaking record. Agencies would fulfill their requirement to maintain and preserve the official rulemaking record by submitting required documents to the revisor for inclusion in the online records system.

Subd. 3. **Duties.** The working group must report by February 1, 2018, to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over policy and finance for the legislature. The report must identify the functional and nonfunctional requirements of the MARSS system. The working group must define a funding mechanism to share the cost to build and maintain the MARSS system among state agencies and departments.

Subd. 4. **Administration provisions.** (a) The revisor of statutes or the revisor's designee must convene the initial meeting of the working group by August 1, 2017. Upon request of the working group, the revisor must provide meeting space and administrative services for the group.

(b) The working group must elect a chair from among its members at the first meeting.

(c) Members serve without compensation and without reimbursement for expenses.

(d) The working group expires on February 1, 2018, or upon submission of documents fulfilling its duties, whichever is earlier.

Subd. 5. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by July 1, 2017.

Sec. 42. **EYELASH TECHNICIAN GRANDFATHERING.**

(a) The board must issue grandfathered eyelash technician licenses no later than February 1, 2018, under the conditions in this section.

(b) A complete grandfathering application for an eyelash technician license must be received in the board office between August 1, 2017, and January 31, 2018, and must contain:

(1) proof of a high school diploma or equivalent;

(2) proof of completion of an eyelash extension training course before July 1, 2017;

(3) proof of completion of a six-hour board-approved public health and safety course provided by a board-licensed school or a board-recognized professional association organized under Minnesota Statutes, chapter 317A. Four hours must be related to health, safety, and infection control and two hours must be related to Minnesota laws and rules governing cosmetology;

(4) original passing results no more than one year old of board-approved laws and rules test and theory tests; and

(5) the practitioner fees required under Minnesota Statutes, section 155A.25.

(c) A complete grandfathering application for an eyelash salon manager license must be received in the board office between August 1, 2017, and January 31, 2018, and must contain:

(1) proof of a high school diploma or equivalent;

(2) proof of completion of an eyelash extension training course before July 1, 2017;

(3) documentation of at least 2,700 hours of experience performing eyelash extensions within the last three years;

(4) original passing results no more than one year old of board-approved laws and rules test and theory tests;

(5) original passing results no more than one year old of board-approved salon manager test;

(6) proof of a six-hour board-approved public health and safety course provided by a board-licensed school or a board-recognized professional association organized under Minnesota Statutes, chapter 317A. Four hours must be related to infection control and two hours must be related to Minnesota laws and rules; and

(7) the practitioner fees required under Minnesota Statutes, section 155A.25.

(d) Grandfathered licenses must not be expedited under Minnesota Statutes, section 155A.25, subdivision 7. The application timelines under Minnesota Statutes, section 155A.25, subdivisions 5, 6, and 8, do not apply to grandfathered licenses.

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

Sec. 43. EYELASH TECHNICIAN RULEMAKING.

The Board of Cosmetologist Examiners shall adopt rules governing the eyelash technician and salon licenses, which must include scope of practice, the conditions and process of issuing and renewing the license, requirements related to education and testing, and 14 hours of training regarding application of eyelash extensions in a board-licensed school. The board may use the expedited rule process in Minnesota Statutes, section 14.389. The grant of rulemaking authority under this section expires May 31, 2019.

Sec. 44. EYELASH TECHNICIAN LICENSING.

The Board of Cosmetologist Examiners must not issue an eyelash practitioner license before February 1, 2018, except for grandfathered licenses issued under section 39. The Board of Cosmetologist Examiners must not require a person to have an eyelash practitioner license for eyelash extensions before February 1, 2018.

Sec. 45. REVISOR'S INSTRUCTION.

By January 15, 2018, the revisor of statutes shall present a bill to the legislature to make the conforming statutory changes to incorporate changes in this article to the contested case procedures under Minnesota Statutes, section 14.57.

Sec. 46. **REPEALER.**

Minnesota Statutes 2016, sections 6.581, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, and 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2, and 4; 10A.323; 155A.23, subdivision 8; and 349A.08, subdivision 3, are repealed.

ARTICLE 3**ELECTIONS**Section 1. **VOTING EQUIPMENT GRANT.**

Subdivision 1. **Voting equipment grant account.** A voting equipment grant program is established. The secretary of state must use money appropriated for the program to provide grants to counties and municipalities as authorized by this section. Funds appropriated for the grant are available until June 30, 2020.

Subd. 2. **Authorized equipment.** (a) A county or municipality may apply to receive a grant under this section for the purchase or lease of the following equipment:

(1) electronic roster equipment and software that meets the technology requirements of Minnesota Statutes, section 201.225, subdivision 2;

(2) assistive voting technology; or

(3) automatic tabulating equipment.

A purchase or lease of equipment is eligible for a grant under this section if the purchase is made, or lease entered, on or after July 1, 2017. A county or municipality that has purchased or leased eligible equipment before July 1, 2017, may apply for reimbursement.

(b) The grant funds must not be used for maintenance or repair of voting equipment.

Subd. 3. **Amount of grant.** A county or municipal government is eligible to receive a grant equal to 75 percent of the total cost of the electronic roster equipment and software or 50 percent of the total cost for assistive voting technology or automatic tabulating equipment. The secretary of state must first award grants to counties and municipalities leasing or purchasing new equipment or software. If funds remain after awarding grants for new equipment or software, the secretary of state must use the remaining funds for grants to counties and municipalities seeking reimbursement for equipment or software already purchased.

Subd. 4. **Application for grant; certification of costs.** (a) To receive a grant, a county or municipality must submit an application to the secretary of state. The secretary of state shall prescribe a form for this purpose. At a minimum, the application must describe:

(1) the type of equipment or software proposed for purchase or lease;

(2) the expected total cost of the equipment or software, and sources of funding that will be used for the purchase or lease in addition to the grant funding provided by this section;

(3) the county's or municipality's plan to address the long-term maintenance, repair, and eventual replacement costs for the equipment or software without using any funds from the grant for these purposes; and

(4) any other information required by the secretary of state.

(b) The secretary of state must establish:

(1) a deadline for receipt of grant applications;

(2) a procedure for awarding and distributing grants;

(3) criteria for the fair, proportional distribution of grants if the funds do not completely cover the requests for a particular type of equipment; and

(4) a process for verifying the proper use of the grants after distribution.

Subd. 5. **Report to legislature.** No later than January 15, 2018, and annually thereafter until the appropriations provided for grants under this section have been exhausted, the secretary of state must submit a report to the legislative committees with jurisdiction over elections policy on grants awarded by this section. The report must detail each grant awarded, including the jurisdiction, the amount of the grant, and the type of equipment or software purchased."

Delete the title and insert:

"A bill for an act relating to the operation of state government; appropriating money for the legislature, governor's office, state auditor, attorney general, secretary of state, certain agencies, boards, councils, retirement funds; cancellation of certain appropriations; precluding agencies from transferring money to the governor's office for services; constraining the state auditor's use of funds for litigation expenses; requiring the state auditor to reimburse Wright, Becker, and Ramsey Counties for litigation expenses; limiting the state auditor's rates for 2017; requiring legislative approval for certain rules; making an ALJ decision the final decision in contested cases; creating an affirmative defense to certain rule violations; modifying the employee gainsharing program; requiring the Department of Administration to assess agencies for certain services; requiring the Office of MN.IT Services to report its project portfolio to the legislature; limiting severance pay for highly paid civil service employees; permitting state employees to opt out of insurance coverage under SEGIP; limiting public employer compensation under contracts to appropriated amounts; providing statutory appropriations to the Racing Commission in the event of a failure to pass a biennial appropriation; raising caps on Mighty Ducks grants; modifying expense calculation for the State Lottery; creating an advisory task force on fiscal notes; setting a deadline for consolidation of state information technology and for use of cloud-based solutions; creating a legislative commission to review consolidation of the state's information technology; establishing requirements for a grandfathered license for eyelash technicians; creating a working group for a rules status system; creating a grant program for election equipment; repealing the state auditor enterprise fund; repealing the campaign finance public subsidy program; repealing lottery payouts to people under 18; amending Minnesota Statutes 2016, sections 4.46; 6.481, subdivision 6; 6.56, subdivision 2; 6.581, subdivision 4; 14.18, subdivision 1; 14.27; 14.389, subdivision 3; 14.57; 16A.90; 16B.055, subdivision 1; 16B.371; 16E.0466; 43A.17, subdivision 11; 43A.24, by adding a subdivision; 155A.23, subdivisions 10, 15, 16, by adding a subdivision; 155A.29, subdivisions 1, 2; 155A.30, subdivisions 2, 5; 179A.20, by

adding a subdivision; 240.15, subdivision 6; 240.155, subdivision 1; 240A.09; 349A.08, subdivision 2; 349A.10, subdivision 6; Laws 2016, chapter 127, section 8; proposing coding for new law in Minnesota Statutes, chapters 6; 14; 16A; 240; repealing Minnesota Statutes 2016, sections 6.581, subdivision 1; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2, 4; 10A.323; 155A.23, subdivision 8; 349A.08, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Rosen from the Committee on Finance, to which was re-referred

S.F. No. 1456: A bill for an act relating to economic development; temporarily modifying the restrictions on use of Minnesota investment fund local government loan repayment funds.

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

Page 1, delete lines 7 to 13 and insert:

"Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2018. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Rosen from the Committee on Finance, to which was re-referred

H.F. No. 778: A bill for an act relating to the Minnesota Sports Facilities Authority; providing for classification of certain data; modifying appointments to the authority board; modifying duties; restricting the use of stadium suites; amending Minnesota Statutes 2016, sections 13.55, subdivision 2; 473J.07, subdivisions 2, 3, 4, 8, by adding a subdivision; 473J.09, subdivisions 6, 13, by adding subdivisions; 473J.13, by adding a subdivision; repealing Minnesota Statutes 2016, section 473J.09, subdivision 14.

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

Page 2, line 16, after "appoint" insert "and the senate shall confirm"

Page 2, line 17, delete "and confirmed by the senate"

Page 3, line 13, after "friends" insert ", charitable organizations"

Page 4, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

Subd. 13. **Legislative report.** The authority must report to the Legislative Commission on Minnesota Sports Facilities and the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and to the senate Finance Committee and the house of representatives Ways and Means Committee by January 15 of each year on the following:

(1) any recommended increases in the rate or dollar amount of tax;

(2) any recommended increases in the debt of the authority;

(3) the overall work and role of the authority;

(4) the authority's proposed operating and capital budgets; ~~and~~

(5) the authority's implementation of the operating and capital budgets-, including information on actual revenues and expenditures, events conducted, and all expected or unexpected maintenance and capital repair needs arising since the time of the last report; and

(6) a listing of all stadium amenities under the control of the authority since the time of the last report, and how the amenities were used."

Page 5, delete section 15

Page 6, line 12, after "staff" insert ", family, friends, charitable organizations"

Page 6, line 23, delete "for fair market value" and insert "through the same channels for the same prices as are available to the public"

Page 6, line 29, after the second "of" insert "or preferential access to"

Page 6, line 30, before "section" insert "this" and delete "473J.09"

Page 7, after line 2, insert:

"Sec. 18. LEGISLATIVE AUDITOR REVIEW OF MINNESOTA SPORTS FACILITIES AUTHORITY MANAGEMENT STRUCTURE.

The legislative auditor is requested to conduct a review of the management structure of the Minnesota Sports Facilities Authority established in Minnesota Statutes, chapter 473J. The review is requested to prioritize consideration of the authority's leadership positions, including the necessity for the authority to be simultaneously led by a full-time executive director and a full-time chair. As appropriate, the review may include recommendations for legislation to improve the authority's management structure. The review must be submitted to the Legislative Commission on Minnesota Sports Facilities, and the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and to the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee, no later than January 15, 2018."

Page 7, line 4, after "must" insert "make every effort to"

Page 7, line 9, delete everything after "committees" and insert "by May 31, 2017."

Page 7, delete line 10

Page 7, after line 11, insert:

"Sec. 20. **TRANSFER OF SUITE.**

The Legislative Commission on Minnesota Sports Facilities shall report to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over finance by February 1, 2018, with recommendations for requiring the Minnesota Sports Facilities Authority to transfer its rights to one suite in the NFL stadium under the use agreement with the primary tenant or to make that suite available for use by charitable organizations. The report shall include any draft legislation necessary to implement the recommendations."

Page 7, delete section 21 and insert:

"Sec. 22. **EFFECTIVE DATE.**

Except where otherwise provided, this act is effective May 1, 2017, and, notwithstanding any law to the contrary, the terms of all current members of the authority terminate on that date. New appointments must be made by the appointing authorities by May 1, 2017."

Renumber the sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Rosen from the Committee on Finance, to which was re-referred

S.F. No. 565: A bill for an act relating to legacy; providing for maximum appropriations from legacy funds; amending Minnesota Statutes 2016, sections 85.53, by adding a subdivision; 97A.056, by adding a subdivision; 114D.50, by adding a subdivision; 129D.17, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Osmek from the Committee on Energy and Utilities Finance and Policy, to which was referred

S.F. No. 1824: A bill for an act relating to energy; appropriating money to the Department of Commerce to remediate vermiculate insulation from households.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**APPROPRIATIONS****Section 1. ENERGY AND UTILITIES APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

APPROPRIATIONS
Available for the Year
Ending June 30
2018 **2019**

Sec. 2. DEPARTMENT OF COMMERCE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>8,348,000</u>	<u>\$</u>	<u>8,348,000</u>
--	------------------	-------------------------	------------------	-------------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>5,686,000</u>	<u>5,686,000</u>
<u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>
<u>Petroleum Tank</u>	<u>1,052,000</u>	<u>1,052,000</u>

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

Subd. 2. Petroleum Tank Release Compensation

<u>Board</u>	<u>1,052,000</u>	<u>1,052,000</u>
---------------------	-------------------------	-------------------------

This appropriation is from the petroleum tank fund.

Subd. 3. Telecommunications**Appropriations by Fund**

<u>General</u>	<u>1,009,000</u>	<u>1,009,000</u>
<u>Special Revenue</u>	<u>1,610,000</u>	<u>1,610,000</u>

\$1,610,000 each year is from the telecommunication access fund for the following transfers.

(1) \$1,170,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans;

(2) \$290,000 each year is to the chief information officer for the purpose of coordinating technology accessibility and usability;

(3) \$100,000 each year is to the Legislative Coordinating Commission for captioning of legislative coverage; and

(4) \$50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants to other state agencies related to accessibility of their Web-based services.

Subd. 4. Energy Resources

4,677,000

4,677,000

\$150,000 each year is for grants to providers of low-income weatherization services to install renewable energy equipment in households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan under Minnesota Statutes, section 216C.264.

\$430,000 each year is for costs associated with competitive rates for energy-intensive, trade-exposed electric utility customers. All general fund appropriations for costs associated with competitive rates for energy-intensive, trade-exposed electric utility customers are recovered through assessments under Minnesota Statutes, section 216B.62.

Sec. 3. APPROPRIATION AND TRANSFER.

(a) The utility subject to Minnesota Statutes, section 116C.779, shall transfer \$10,000,000 in fiscal year 2018 from the renewable development account established under that section to the commissioner of commerce, who shall deposit it in the special revenue fund. This is a onetime transfer.

(b) \$10,000,000 from the money deposited in the special revenue fund under paragraph (a) is appropriated to the commissioner of commerce for transfer to the Iron Range Resources and Rehabilitation Board for deposit in Fund #280, Business Development Fund for Renewable Energy Manufacturing. This is a onetime appropriation and is available until June 30, 2020.

Sec. 4. PUBLIC UTILITIES COMMISSION \$ 7,465,000 \$ 7,465,000

ARTICLE 2

COMMERCE

Section 1. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

Subd. 5. **Dispute; resolution.** In the event of disputes between ~~an electric~~ a public utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the public utility. The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the public utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

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

Sec. 2. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision 5,~~ and with respect to municipal electric utilities only, the term "commission" means the governing body of each municipal electric utility that adopts and has in effect rules implementing this section which are consistent with the rules adopted by the Minnesota Public Utilities Commission under subdivision 6. As used in this subdivision, the governing body of a municipal electric utility means the city council of that municipality; except that, if another board, commission, or body is empowered by law or resolution of the city council or by its charter to establish and regulate rates and days for the distribution of electric energy within the service area of the city, that board, commission, or body shall be considered the governing body of the municipal electric utility.

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

Sec. 3. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision to read:

Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the term "commission" means the board of directors of a cooperative association that (1) elects, by resolution, to assume the authority delegated to the Public Utilities Commission over cooperative electric associations under this section, and (2) adopts and has in effect rules implementing this section. The rules must provide for a process to resolve disputes that arise under this section, and must include a provision that a request by either party for mediation of the dispute by an independent third party must be implemented. A cooperative electric association that has adopted a resolution and rules

under this subdivision is exempt from regulation by the Public Utilities Commission under this section.

(b) Except as provided in paragraph (c), any proceedings concerning the activities of a cooperative electric association under this section that are pending at the Public Utilities Commission on the effective date of this section are terminated on that date.

(c) The Public Utilities Commission shall limit its investigation in Docket No. 16-512 determining whether the methodology used by cooperative associations to establish a fee under section 216B.164, subdivision 3, paragraph (a), complies with state law. The commission shall complete the investigation no later than December 31, 2017. A methodology determined by the commission to comply with state law may not be challenged in a dispute under section 216B.164. If the commission determines that a methodology does not comply with state law, it shall clearly state the changes necessary to bring the methodology into compliance, and the cooperative electric association shall proceed under paragraph (a).

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

Sec. 4. Minnesota Statutes 2016, section 216B.1691, subdivision 2f, is amended to read:

Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a and 2b, each public utility shall generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy.

(b) For a public utility with more than 200,000 retail electric customers, at least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less.

(c) A public utility with between 50,000 and 200,000 retail electric customers:

(1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less; and

(2) may apply toward the ten percent goal in clause (1) individual customer subscriptions of 40 kilowatts or less to a community solar garden program operated by the public utility that has been approved by the commission.

~~(b)~~ (d) The solar energy standard established in this subdivision is subject to all the provisions of this section governing a utility's standard obligation under subdivision 2a.

~~(c)~~ (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail electric sales in Minnesota be generated by solar energy.

~~(d)~~ (f) For the purposes of calculating the total retail electric sales of a public utility under this subdivision, there shall be excluded retail electric sales to customers that are:

(1) an iron mining extraction and processing facility, including a scam mining facility as defined in Minnesota Rules, part 6130.0100, subpart 16; or

(2) a paper mill, wood products manufacturer, sawmill, or oriented strand board manufacturer.

Those customers may not have included in the rates charged to them by the public utility any costs of satisfying the solar standard specified by this subdivision.

~~(e)~~ (g) A public utility may not use energy used to satisfy the solar energy standard under this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the solar standard under this subdivision.

~~(f)~~ (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated with a solar photovoltaic device installed and generating electricity in Minnesota after August 1, 2013, but before 2020 may be used to meet the solar energy standard established under this subdivision.

~~(g)~~ (i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file a report with the commission reporting its progress in achieving the solar energy standard established under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 5. Minnesota Statutes 2016, section 216B.1694, subdivision 3, is amended to read:

Subd. 3. **Staging and permitting.** (a) A Natural gas-fired plant that is located on one site designated as an innovative energy project site under subdivision 1, clause (3), is accorded the regulatory incentives granted to an innovative energy project under subdivision 2, clauses (1) to (3), and may exercise the authorities therein.

(b) Following issuance of a final state or federal environmental impact statement for an innovative energy project that was a subject of contested case proceedings before an administrative law judge:

(1) site and route permits and water appropriation approvals for an innovative energy project must also be deemed valid for a plant meeting the requirements of paragraph (a) and shall remain valid until the ~~earlier~~ later of (i) four years from the date the final required state or federal preconstruction permit is issued or (ii) June 30, ~~2019~~ 2025; and

(2) no air, water, or other permit issued by a state agency that is necessary for constructing an innovative energy project may be the subject of contested case hearings, notwithstanding Minnesota Rules, parts 7000.1750 to 7000.2200.

Sec. 6. Minnesota Statutes 2016, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. **Resource plan filing and approval.** A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest. In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction. As a

part of its resource plan filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all energy needs from both new and refurbished capacity needs generating facilities through a combination of conservation and renewable energy resources.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to resource plans filed with the commission on or after July 1, 2017.

Sec. 7. Minnesota Statutes 2016, section 216B.2422, subdivision 4, is amended to read:

Subd. 4. **Preference for renewable energy facility.** The commission shall not approve a new or refurbished nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant to section 216B.243, nor shall the commission allow rate recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the utility has demonstrated that a renewable energy facility is not in the public interest. When making the public interest determination, the commission must include consider:

(1) whether the resource plan helps the utility achieve the greenhouse gas reduction goals under section 216H.02, the renewable energy standard under section 216B.1691, or the solar energy standard under section 216B.1691, subdivision 2f₂;

(2) impacts on local and regional grid reliability;

(3) utility and ratepayer impacts resulting from the intermittent nature of renewable energy facilities, including but not limited to the costs of purchasing wholesale electricity in the market and the costs of providing ancillary services; and

(4) utility and ratepayer impacts resulting from reduced exposure to fuel price volatility, changes in transmission costs, portfolio diversification, and environmental compliance costs.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 8. Minnesota Statutes 2016, section 216B.2424, is amended by adding a subdivision to read:

Subd. 9. **Adjustment of biomass fuel requirement.** (a) Notwithstanding any provision in this section, a public utility that operates a nuclear-powered electric generating plant may file a petition with the commission for approval of a new or amended power purchase agreement, or, with the agreement of all parties, the early termination of a power purchase agreement, with a facility that was previously approved to satisfy a portion of the biomass mandate in this section.

(b) A new or amended power purchase agreement under this subdivision may be approved by the commission regardless of the fuel requirements of this section if, by its terms:

(1) all parties to the power purchase agreement agree to the terms and conditions of the new or amended power purchase agreement; and

(2) the new or amended power purchase agreement is in the best interest of the customers of the public utility that operates a nuclear-powered electric generating plant, taking into consideration any savings to customers resulting from the new or amended power purchase agreement and any costs imposed on customers under paragraph (f).

(c) The termination of a power purchase agreement under this subdivision may be approved by the commission if:

(1) all parties to the power purchase agreement agree to the early termination of the agreement; and

(2) the termination of the power purchase agreement is in the best interest of the customers of the public utility that operates a nuclear-powered electric generating plant, taking into consideration any savings to customers resulting from the termination of the power purchase agreement and any costs imposed on customers under paragraph (f).

(d) A new or amended power purchase agreement approved under paragraph (b) may be for any term agreed to by the parties for any amount of energy agreed to by the parties.

(e) The approval of a new or amended power purchase agreement under paragraph (b), or the approval of a termination of a power purchase agreement under paragraph (c), shall not require the public utility that operates a nuclear-powered electric generation plant to purchase additional biomass energy under this section.

(f) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover investments, expenses and costs, and earnings on the investment associated with the new or amended power purchase agreement or the termination of a power purchase agreement. The commission may approve the rate schedule upon a showing that the recovery of investments, expenses and costs, and earnings on the investment is less than the costs that would have been recovered from customers had the utility continued to purchase energy under the power purchase agreement that was terminated.

(g) This subdivision does not apply to a St. Paul district heating and cooling system cogeneration facility and nothing in this subdivision precludes a public utility that operates a nuclear-power electric generating plant from filing a petition with the commission for approval of a new or amended power purchase agreement with such a facility.

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

Sec. 9. Minnesota Statutes 2016, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** In addition to other assessments in subdivision 3, the department may assess up to ~~\$1,000,000~~ \$500,000 per fiscal year for performing its duties under section 216A.07, subdivision 3a. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state. This subdivision expires June 30, ~~2017~~ 2021.

Sec. 10. Minnesota Statutes 2016, section 216C.435, is amended by adding a subdivision to read:

Subd. 7a. **Multifamily residential dwelling.** "Multifamily residential dwelling" means a residential dwelling containing five or more units intended for use as a residence by tenants or lessees of the owner.

Sec. 11. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to read:

Subd. 10. **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. 12. Minnesota Statutes 2016, section 237.01, is amended by adding a subdivision to read:

Subd. 11. **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. 13. **[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, 2017, 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;

(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; or

(6) the authority of the attorney general to apply and enforce chapters 325C to 325G and 325K to 325M or other laws of general applicability governing consumer protection and trade practices.

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;

(2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

(3) any other IP-enabled video service.

Subd. 5. **Preservation of existing landline telephone service.** Nothing in this section restricts, creates, expands, or otherwise affects or modifies the obligations of a telephone company under this chapter to offer landline telephone service that is not Voice-over-Internet protocol service.

Sec. 14. **RESIDENTIAL PACE CONSUMER PROTECTION LEGISLATION TASK FORCE.**

Subdivision 1. **Establishment.** The Residential PACE Consumer Protection Legislation Task Force shall develop recommendations for consumer protection legislation for any energy improvements financing program implemented under Minnesota Statutes, sections 216C.435 to 216C.436, for single-family residential dwellings. For purposes of this section, "residential PACE" or "PACE" means energy improvement financing programs for single-family residential dwellings authorized under Minnesota Statutes, sections 216C.435 to 216C.436.

Subd. 2. **Task force.** (a) The task force consists of 16 members as follows:

(1) one member appointed by the Minnesota Association of Realtors;

(2) one member appointed by the Center for Energy and Environment;

- (3) one member appointed by the Minnesota Bankers Association;
 - (4) one member appointed by the Legal Services Advocacy Project;
 - (5) one member appointed by the Minnesota Credit Union Network;
 - (6) one member appointed by the Minnesota Solar Energy Industry Association;
 - (7) one member appointed by the St. Paul Port Authority;
 - (8) one member appointed by the League of Minnesota Cities;
 - (9) one member appointed by the Association of Minnesota Counties;
 - (10) one member appointed by AARP Minnesota;
 - (11) one member appointed by Fresh Energy;
 - (12) one member appointed by the Citizens Utility Board of Minnesota;
 - (13) one member appointed by Clean Energy Economy Minnesota;
 - (14) one member appointed by the Minnesota Land Title Association;
 - (15) one member appointed by an organization with experience implementing residential PACE programs in other states; and
 - (16) the commissioner of commerce or a designee.
- (b) Any public member can designate a substitute from the same organization to replace that member at a meeting of the task force.

Subd. 3. **Duties.** The task force must develop recommendations to:

- (1) address concerns regarding the possible constraints on free alienation of residential property caused by existence and amount of the PACE liens;
- (2) reduce and minimize any point-of-sale confusion in transactions involving PACE-encumbered homes;
- (3) ensure conspicuous and meaningful disclosure of, among other things:
 - (i) all costs and fees of a residential PACE loan; and
 - (ii) the risks, such as foreclosure and higher costs, that may be associated with residential PACE loans relative to other financing mechanisms;
- (4) ensure that the ability to repay standard uses commonly accepted underwriting principles;
- (5) ensure that consumer provisions required of and protections that apply to conventional loans and other financing options, including but not limited to the Truth in Lending Act and the Real Estate Settlement Procedures Act, are required of and apply to PACE financing;

(6) address any unique protections necessary for elderly, low-income homeowners and other financially vulnerable homeowners;

(7) establish criteria for ensuring the cost-effectiveness of PACE-enabled clean energy improvements; and

(8) address any other issues the task force identifies that are necessary to protect consumers.

Subd. 4. **Administrative support.** The commissioner of commerce shall provide administrative support and meeting space for the task force.

Subd. 5. **Compensation.** Members serve without compensation and shall not be reimbursed for expenses.

Subd. 6. **Chair.** The commissioner of commerce or the commissioner's designee shall serve as chair.

Subd. 7. **Meetings.** The task force shall meet regularly, at the call of the chair. Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

Subd. 8. **Appointments; first meeting.** Appointments must be made by June 1, 2017. The commissioner of commerce must convene the first meeting by July 15, 2017.

Subd. 9. **Report to legislature.** By January 15, 2018, the commissioner shall submit a report detailing the task force's findings and recommendations to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over energy and consumer protection policy and finance. The report must include any draft legislation necessary to implement the recommendations of the task force.

Subd. 10. **Suspension of residential PACE.** Until legislation is enacted establishing consumer protections that addresses, but is not limited to, the concerns identified in subdivision 3, no programs for the financing of energy improvements on a single-family residential property dwelling under Minnesota Statutes, sections 216C.435 to 216C.436, may be operated after the effective date of this section.

Subd. 11. **Expiration.** The task force shall expire January 15, 2018, or after submitting the report required in this section, whichever is earlier.

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

Delete the title and insert:

"A bill for an act relating to energy; appropriating money for the Department of Commerce and Public Utilities Commission; making policy and technical changes; modifying facilities eligible for staging and permitting at innovative energy project sites; amending terms of a contract for a biomass project; modifying the solar energy standard; amending resource planning requirements; prohibiting regulation of voice-over-Internet protocol service and Internet protocol-enabled service; establishing a task force; amending Minnesota Statutes 2016, sections 216B.164, subdivisions 5, 9, by adding a subdivision; 216B.1691, subdivision 2f; 216B.1694, subdivision 3; 216B.2422, subdivisions 2,

4; 216B.2424, by adding a subdivision; 216B.62, subdivision 3b; 216C.435, by adding a subdivision; 237.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 237."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Westrom from the Committee on Agriculture, Rural Development, and Housing Finance, to which was referred

S.F. No. 780: A bill for an act relating to agriculture; appropriating money for agriculture; making policy changes; modifying fees; amending Minnesota Statutes 2016, sections 18B.01, by adding a subdivision; 18B.05; 18B.065, subdivisions 8, 9; 18B.26, subdivision 3; 28A.081; proposing coding for new law in Minnesota Statutes, chapter 18B.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE AND RURAL DEVELOPMENT

Section 1. **AGRICULTURE APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **DEPARTMENT OF AGRICULTURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>50,720,000</u>	<u>\$</u>	<u>50,174,000</u>
<u>Appropriations by Fund</u>				
		<u>2018</u>		<u>2019</u>
<u>General</u>		<u>50,332,000</u>		<u>49,786,000</u>
<u>Remediation</u>		<u>388,000</u>		<u>388,000</u>

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

Subd. 2. Protection Services17,041,00017,041,000Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>16,653,000</u>	<u>16,653,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

(a) \$25,000 the first year and \$25,000 the second year are to develop and maintain cottage food license exemption outreach and training materials.

(b) \$75,000 the first year and \$75,000 the second year are to coordinate the correctional facility vocational training program.

(c) \$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(d) \$175,000 the first year and \$175,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. This appropriation may be spent to compensate for animals that were destroyed or crippled during fiscal year 2017. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

(e) \$125,000 the first year and \$125,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

(f) \$300,000 the first year and \$300,000 the second year are for deposit in the noxious weed and invasive plant species assistance

account established under Minnesota Statutes, section 18.89, to be used to implement the noxious weed grant program under Minnesota Statutes, section 18.90, with preference given to local units of government responding to palmer amaranth or other weeds on the eradicate list. This is a onetime appropriation.

(g) \$150,000 the first year and \$150,000 the second year are for wolf-livestock conflict prevention grants under section 11. The commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance by January 15, 2020, on the outcomes of the wolf-livestock conflict prevention grants and whether livestock compensation claims were reduced in the areas that grants were awarded. This is a onetime appropriation.

Subd. 3. Agricultural Marketing and Development

4,096,000

3,996,000

(a) The commissioner must provide outreach to urban farmers regarding the department's financial and technical assistance programs and must assist urban farmers in applying for assistance.

(b) \$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2019, for Minnesota grown grants in this paragraph are available until June 30, 2021.

(c) \$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First

Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

(d) \$100,000 the first year is for grants to ethnic minority chambers of commerce to connect immigrants and new American citizens to farming opportunities in this state. This is a onetime appropriation and is available until June 30, 2019.

(e) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance for persons transitioning from conventional to organic agriculture.

Subd. 4. Agriculture, Bioenergy, and Bioproduct Advancement

21,860,000

21,860,000

(a) \$8,500,000 the first year and \$8,500,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts, at least \$600,000 each year is for the Minnesota Agricultural Experiment Station's Agriculture

Rapid Response Fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2). Of the amount appropriated in this paragraph, for fiscal years 2018 and 2019 only, \$1,000,000 each year is for transfer to the Board of Regents of the University of Minnesota for research on avian influenza, including prevention measures that can be taken. Of the amount appropriated in this paragraph, \$2,000,000 each year is for grants to the Minnesota Agriculture Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants. The commissioner shall transfer the remaining grant funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14.

To the extent practicable, funds expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(b) \$350,000 the first year and \$350,000 the second year are for grants to the Board of Regents of the University of Minnesota for potato breeding. This is a onetime appropriation.

(c) \$450,000 the first year and \$450,000 the second year are for grants to the Board of Regents of the University of Minnesota for the cultivated wild rice breeding project at the North Central Research and Outreach Center. This is a onetime appropriation.

(d) \$12,535,000 the first year and \$12,535,000 the second year are for the agricultural growth, research, and innovation program in Minnesota Statutes, section

41A.12. Grants may be awarded in the following areas: developing new markets for Minnesota farmers; developing urban agriculture; beginning or expanding livestock operations; assisting value-added agricultural businesses to begin or expand; development or expansion of food hubs and other community-based food distribution systems; expanding or improving biofuels infrastructure at the retail and distribution level; farm business management scholarships; and research on bioenergy, biobased content, or biobased formulated products.

Of the amount appropriated for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12:

(1) \$1,000,000 the first year and \$1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$1,500,000 the first year and \$1,500,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18;

(3) \$3,000,000 the first year and \$3,000,000 the second year are for livestock investment grants under Minnesota Statutes, section 17.118;

(4) \$3,000,000 the first year and \$3,000,000 the second year are for value-added agriculture grants;

(5) \$1,000,000 the first year and \$1,000,000 the second year are for grants to install equipment necessary to store or dispense biofuels to the public in order to meet the biofuel requirement goals established under Minnesota Statutes, section 239.7911; and

(6) \$350,000 the first year and \$350,000 the second year are for grants to expand

Minnesota agriculture, including Minnesota-grown hemp, to new markets.

For value-added agriculture grants under clause (4), the commissioner may award up to two grants of up to \$750,000 per grant for new or expanding livestock product processing facilities or dairy product processing facilities that provide significant economic impact to the region. The remaining value-added agriculture grants are for awards between \$1,000 and \$200,000 per grant. The appropriations in clauses (3), (4), (5), and (6), are onetime. If the appropriation for incentive payments in clause (2) exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for the agricultural growth, research, and innovation program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract before June 30, 2019, under the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.

The base budget for the agricultural growth, research, and innovation program for fiscal year 2020 and later is \$14,166,000 each fiscal year. Of this amount:

(1) \$1,000,000 each year is for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;

(2) \$1,500,000 each year is for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, and 41A.18;

(3) \$3,000,000 each year is for siding production incentive payments under Minnesota Statutes, section 41A.20; and

(4) \$5,000,000 each year is for shrimp production incentive payments under Minnesota Statutes, section 41A.21.

(e) \$25,000 the first year and \$25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

Subd. 5. Administration and Financial Assistance

7,723,000

7,277,000

(a) \$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

(b) \$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

(c) \$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Livestock Breeders Association.

(d) \$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

(e) \$200,000 the first year and \$200,000 the second year are for farm advocate services.

(f) \$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

(g) \$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available for the second year. This is a onetime appropriation.

(h) \$113,000 the first year and \$113,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators. South Central College shall serve as the fiscal agent.

(i) \$550,000 the first year and \$550,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was

distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(j) \$1,100,000 the first year and \$1,100,000 the second year are for grants to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. Second Harvest Heartland may use up to 11 percent of any grant received for administrative expenses, and up to four percent of the grant for transportation expenses. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(k) \$150,000 the first year and \$150,000 the second year are for grants to the Center for Rural Policy and Development.

(l) \$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(m) \$600,000 the first year and \$600,000 the second year are for grants to the Board of Regents of the University of Minnesota to develop, in consultation with the commissioner of agriculture and the Board of Animal Health, a software tool or application through the Veterinary Diagnostic Laboratory that empowers veterinarians and producers to understand the movement of unique pathogen strains in livestock and poultry production systems, monitor antibiotic resistance, and implement effective biosecurity measures that promote animal health and limit production losses. This is a onetime appropriation.

(n) \$150,000 the first year is for tractor rollover protection grants under Minnesota Statutes, section 17.119. This is a onetime appropriation and is available until June 30, 2019.

(o) \$296,000 the first year is for a grant to the Board of Regents of the University of Minnesota to fund the Forever Green Agriculture initiative to protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter annual crops into existing agricultural practices. This is a onetime appropriation and is available until June 30, 2021.

By January 15, 2018, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance with a list of inspections the department conducts at more frequent intervals than federal law requires, an explanation of why the additional inspections are necessary, and provide recommendations for eliminating any unnecessary inspections.

Sec. 3. **BOARD OF ANIMAL HEALTH**

\$

5,384,000 **\$**

5,384,000

Sec. 4. **AGRICULTURAL UTILIZATION****RESEARCH INSTITUTE**

\$	<u>3,793,000</u>	\$	<u>3,793,000</u>
-----------	-------------------------	-----------	-------------------------

Sec. 5. Minnesota Statutes 2016, section 17.119, subdivision 1, is amended to read:

Subdivision 1. **Grants; eligibility.** (a) The commissioner must award ~~cost-share~~ grants to Minnesota farmers who retrofit eligible tractors and Minnesota schools that retrofit eligible tractors with eligible rollover protective structures.

~~(b)~~ (b) Grants for farmers are limited to 70 percent of the farmer's ~~or school's~~ documented cost to purchase, ship, and install an eligible rollover protective structure. The commissioner must increase ~~the a farmer's~~ grant award amount over the 70 percent grant limitation requirement if necessary to limit a farmer's ~~or school's~~ cost per tractor to no more than \$500.

~~(c)~~ (c) Schools are eligible for grants that cover the full amount of a school's documented cost to purchase, ship, and install an eligible rollover protective structure.

~~(b)~~ (d) A rollover protective structure is eligible if it ~~meets or exceeds SAE International standard J2194~~ is certified to appropriate national or international rollover protection structure standards with a seat belt.

~~(e)~~ (e) A tractor is eligible if the tractor was built before 1987.

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

Sec. 6. Minnesota Statutes 2016, section 17.119, subdivision 2, is amended to read:

Subd. 2. **Promotion; administration.** The commissioner may spend up to ~~20~~ six percent of total program dollars each fiscal year to promote and administer the program to Minnesota farmers and schools.

Sec. 7. Minnesota Statutes 2016, section 18.79, subdivision 18, is amended to read:

Subd. 18. **Noxious weed education and notification.** (a) The commissioner shall disseminate information and conduct educational campaigns with respect to control of noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or manage these plants. The commissioner shall call and attend meetings and conferences dealing with the subject of noxious weeds. The commissioner shall maintain on the department's Web site noxious weed management information including but not limited to the roles and responsibilities of citizens and government entities under sections 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious weed issue.

(b) The commissioner shall post notice on the commissioner's Web site and in appropriate agricultural media when a weed on the eradicate list is confirmed for the first time in a county. The commissioner shall work with stakeholders, including the Board of Water and Soil Resources, the commissioner of natural resources, soil and water conservation districts, University of Minnesota Extension, county agricultural inspectors, and local weed inspectors to eradicate the weed in Minnesota.

Sec. 8. Minnesota Statutes 2016, section 18B.03, is amended by adding a subdivision to read:

Subd. 5. **Label compliance.** Unless explicitly required by the FIFRA, the commissioner must not require an applicator to demonstrate label compliance or need prior to applying a pesticide.

Sec. 9. Minnesota Statutes 2016, section 41A.20, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent raw materials from Minnesota. If a facility is sited 50 miles or less from the state border, raw materials may be sourced from within a 100-mile radius. Raw materials must be from forest resources. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin operating before July 1, ~~2017~~ 2019. Eligible facilities include existing companies and facilities that are adding siding production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible siding production facilities must produce at least 200,000,000 siding square feet on a 3/8 inch nominal basis of siding each year.

(b) No payments shall be made for siding production that occurs after June 30, 2035, for those eligible producers under paragraph (a).

(c) An eligible producer of siding shall not transfer the producer's eligibility for payments under this section to a facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

Sec. 10. [41A.21] SHRIMP PRODUCTION INCENTIVE.

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

(b) "Commissioner" means the commissioner of agriculture.

(c) "Feed" means pelletized material produced from agricultural sources.

Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must acquire at least 80 percent of feed from Minnesota. The facility must be located in Minnesota, must begin production at a specific location by June 30, 2025, and must not begin production before July 1, 2019. Eligible facilities include existing companies and facilities that are adding shrimp production capacity, or retrofitting existing capacity, as well as new companies and facilities. Eligible shrimp production facilities must produce at least 25,000 pounds of shrimp each quarter.

(b) No payments shall be made for shrimp production that occurs after June 30, 2030, for those eligible producers under paragraph (a).

(c) An eligible producer of shrimp shall not transfer the producer's eligibility for payments under this section to a facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of shrimp. The amount of the payment for each eligible producer's quarterly production is 69 cents per pound of shrimp produced at a specific location for five years after the start of production.

(b) Total payments under this section to an eligible shrimp producer in a quarter may not exceed the amount necessary for 2,000,000 pounds of shrimp produced. Total payments under this section to all eligible shrimp producers in a quarter may not exceed \$1,250,000. If the total amount for which all shrimp producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall award payments on a pro rata basis within the limits of available funding.

(c) For purposes of this section, an entity that holds a controlling interest in more than one shrimp facility is considered a single eligible producer.

Subd. 4. **Claims.** (a) By the last day of October, January, April, and July, each eligible shrimp producer shall file a claim for payment for shrimp production during the preceding three calendar months. An eligible shrimp producer that files a claim under this subdivision shall include a statement of the eligible producer's total pounds of shrimp produced during the quarter covered by the claim. For each claim and statement of total pounds of shrimp filed under this subdivision, the pounds of shrimp produced must be examined by a certified public accounting firm with a valid permit to practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Subd. 5. **Report.** By January 15 each year, the commissioner shall report on the program under this section to the legislative committees with jurisdiction over agricultural policy and finance. The report shall include information on production and incentive expenditures under the program.

Sec. 11. WOLF-LIVESTOCK CONFLICT PREVENTION PILOT PROGRAM.

(a) The commissioner of agriculture may award grants to livestock producers to prevent wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner may establish a cap on the amount a recipient may receive annually.

(b) To be eligible for the grant under this section, a livestock producer must raise livestock within Minnesota's wolf range or on property determined by the commissioner to be affected by wolf-livestock conflicts.

(c) Eligible wolf-livestock conflict prevention activities include, but are not limited to:

(1) the purchase of guard animals;

(2) veterinary costs for guard animals;

(3) the installation of wolf barriers; wolf barriers may include pens, fladry, and fencing;

(4) the installation of wolf-detering lights and alarms; and

(5) calving or lambing shelters.

(d) Eligible grant recipients must:

(1) make a good-faith effort to avoid wolf-livestock conflicts;

(2) make a good-faith effort to care for guard animals paid for under this section;

(3) retain proper documentation of expenses;

(4) report annually to the commissioner on the effectiveness of the nonlethal methods employed;
and

(5) allow follow-up evaluation and monitoring by the commissioner.

(e) Grant recipients shall continue to be eligible for depredation payments under Minnesota Statutes, section 3.737.

Sec. 12. **REPEALER.**

Minnesota Statutes 2016, section 41A.20, subdivision 6, is repealed.

ARTICLE 2

HOUSING

Section 1. **HOUSING APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **HOUSING FINANCE AGENCY**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>50,798,000</u>	<u>\$</u>	<u>50,798,000</u>
--	------------------	--------------------------	------------------	--------------------------

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

Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. Challenge Program

13,525,000

13,525,000

(a) \$12,925,000 the first year and \$12,925,000 the second year are for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

The appropriation may be used to finance the construction or replacement of real property that is located in Melrose affected by the fire on September 8, 2016.

(b) (1) \$600,000 each year is for housing in communities and regions that have: low housing vacancy rates; cooperatively developed a plan that identifies current and future housing needs; evidence of anticipated job expansion; are located outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2; and have a significant portion of area employees who commute more than 30 miles between their residence and their employment;

(2) among comparable housing proposals, preference must be given to proposals that: include a meaningful contribution from area employers that reduces the need for deferred loan or grant funds from state resources; or provide housing opportunities for an expanded range of household incomes within a community or that provide housing

opportunities for a wide range of incomes within the development; and

(3) Notwithstanding Minnesota Statutes, section 462A.33, subdivision 5, or other law to the contrary, this appropriation is not subject to income limitations for occupants.

Subd. 3. Housing Trust Fund

11,646,000

11,646,000

This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section.

Subd. 4. Rental Assistance for Mentally Ill

4,088,000

4,088,000

This appropriation is for the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. Among comparable proposals, the agency shall prioritize those proposals that target, in part, eligible persons who desire to move to more integrated, community-based settings.

Subd. 5. Family Homeless Prevention

8,519,000

8,519,000

This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

Subd. 6. Home Ownership Assistance Fund

885,000

885,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The base amount for fiscal year 2020 and later is \$1,385,000 each fiscal year.

Subd. 7. Affordable Rental Investment Fund

4,218,000

4,218,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under

Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this paragraph, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 8. Housing Rehabilitation

5,915,000

5,915,000

This appropriation is for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14. Of this amount, \$2,772,000 each year is for the rehabilitation of owner-occupied housing and \$3,143,000 each year is for the rehabilitation of eligible rental housing. In administering a rehabilitation program for rental housing, the agency may apply the processes and priorities adopted for administration of the economic development

and housing challenge program under Minnesota Statutes, section 462A.33.

Subd. 9. Manufactured Home Park Infrastructure Grants

500,000

500,000

This appropriation is for manufactured home park infrastructure grants under Minnesota Statutes, section 462A.2035, subdivision 1b. This is a onetime appropriation and is available until June 30, 2021.

Subd. 10. Homeownership Education, Counseling, and Training

857,000

857,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Build Wealth MN shall be eligible for a grant under this subdivision.

Subd. 11. Capacity-Building Grants

645,000

645,000

This appropriation is for nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b. Of this amount, \$125,000 each year is for support of the Homeless Management Information System (HMIS).

Sec. 3. Minnesota Statutes 2016, section 462A.2035, is amended to read:

462A.2035 MANUFACTURED HOME PARK REDEVELOPMENT PROGRAM.

Subdivision 1. **Establishment.** The agency shall establish a manufactured home park redevelopment program for the purpose of making manufactured home park redevelopment grants or loans to cities, counties, ~~or~~ community action programs, nonprofit organizations, and cooperatives created under chapter 308A or 308B.

Subd. 1a. **Individual assistance grants.** ~~Cities, counties, and community action programs~~ Eligible recipients may use individual assistance grants and loans under this program to:

(1) provide current residents of manufactured home parks with buy-out assistance not to exceed \$4,000 per home with preference given to older manufactured homes; and

(2) provide down-payment assistance for the purchase of new and preowned manufactured homes that comply with the current version of the State Building Code in effect at the time of the sale, not to exceed \$10,000 per home; and

~~(3) make improvements in manufactured home parks as requested by the grant recipient.~~

Subd. 1b. **Park infrastructure grants.** Eligible recipients may use park infrastructure grants under this program for:

- (1) improvements in manufactured home parks; and
- (2) infrastructure, including storm shelters and community facilities.

Subd. 2. **Eligibility requirements.** For individual assistance grants under subdivision 1a, households assisted ~~under this section~~ must have an annual household income at or below 80 percent of the area median household income. Cities, counties, or community action programs receiving funds under the program must give preference to households at or below 50 percent of the area median household income. Participation in the program is voluntary and no park resident shall be required to participate.

Subd. 3. **Statewide program.** The agency shall attempt to make grants and loans in approximately equal amounts to applicants outside and within the metropolitan area. Grants and loans under this section shall be provided in a manner consistent with the agency's policies and purposes in section 462A.02.

Subd. 4. **Infrastructure repair and replacement fund.** Each recipient receiving a grant under subdivision 1b shall provide from year-to-year, on a cumulative basis, for adequate reserve funds to cover the repair and replacement of the private infrastructure systems serving the community.

Sec. 4. **MINNESOTA HOUSING FINANCE AGENCY REPORT.**

By February 1, 2018, and February 1, 2019, the Housing Finance Agency shall provide to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over the agency:

(1) a draft and final version of its affordable housing plan before and after it has been submitted to the agency board for consideration; and

(2) a report on the actual and anticipated funds available within the Housing Affordability Fund, or Pool 3, and the actual and anticipated uses of those funds."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for agriculture and housing programs; making changes to programs and policy; establishing a shrimp production incentive program; establishing a wolf-livestock conflict prevention pilot program; requiring reports; amending Minnesota Statutes 2016, sections 17.119, subdivisions 1, 2; 18.79, subdivision 18; 18B.03, by adding a subdivision; 41A.20, subdivision 2; 462A.2035; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 2016, section 41A.20, subdivision 6."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Benson from the Committee on Health and Human Services Finance and Policy, to which was referred

S.F. No. 847: A bill for an act relating to health; requiring the commissioner of health to develop a comprehensive strategic plan to end HIV/AIDS.

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

Page 2, after line 10, insert:

"(d) The commissioner, after consulting with stakeholders, may implement this section utilizing existing efforts being carried out for similar purposes, in order to reduce the resources required to implement this section."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Dahms from the Committee on Commerce and Consumer Protection Finance and Policy, to which was referred

S.F. No. 2088: A bill for an act relating to liquor; authorizing the city of St. Paul to issue a temporary on-sale intoxicating liquor license on the grounds of the State Capitol on the day of the Twin Cities Marathon; amending Laws 1999, chapter 202, section 13, as amended.

Reports the same back with the recommendation that the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Dahms from the Committee on Commerce and Consumer Protection Finance and Policy, to which was referred

S.F. No. 2078: A bill for an act relating to commerce; appropriating money to the Department of Commerce for insurance regulation.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the

fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2018</u>	<u>2019</u>
Sec. 2. <u>DEPARTMENT OF COMMERCE</u>			
Subdivision 1. <u>Total Appropriation</u>	\$	<u>22,339,000</u>	<u>22,339,000</u>
<u>Appropriations by Fund</u>			
	<u>2018</u>	<u>2019</u>	
<u>General</u>	<u>17,123,000</u>	<u>17,123,000</u>	
<u>Special Revenue</u>	<u>4,465,000</u>	<u>4,465,000</u>	
<u>Workers'</u>			
<u>Compensation</u>	<u>751,000</u>	<u>751,000</u>	
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>			
Subd. 2. <u>Financial Institutions</u>		<u>4,885,000</u>	<u>4,885,000</u>
<u>\$4,465,000 in fiscal year 2018 and \$4,465,000 in fiscal year 2019 are appropriated from the financial institutions account in Minnesota Statutes, section 46.131, subdivision 11. \$420,000 in fiscal year 2018 and \$420,000 in fiscal year 2019 are appropriated from the general fund.</u>			
Subd. 3. <u>Administrative Services</u>		<u>7,386,000</u>	<u>7,386,000</u>
<u>\$100,000 each year is for the support of broadband development.</u>			
Subd. 4. <u>Enforcement</u>			
<u>Appropriations by Fund</u>			
<u>General</u>	<u>4,901,000</u>	<u>4,901,000</u>	
<u>Workers'</u>			
<u>Compensation</u>	<u>198,000</u>	<u>198,000</u>	
Subd. 5. <u>Insurance</u>			
<u>Appropriations by Fund</u>			
<u>General</u>	<u>4,416,000</u>	<u>4,416,000</u>	

<u>Workers'</u>		
<u>Compensation</u>	<u>553,000</u>	<u>553,000</u>

Subd. 6. Commerce Fraud Bureau

The revenue transferred in Minnesota Statutes, section 297I.11, subdivision 2, to the insurance fraud prevention account must be used in part for compensation for two new employees in the Commerce Fraud Bureau to perform analytical duties. The new employees may not be peace officers.

ARTICLE 2

COMMERCE

Section 1. Minnesota Statutes 2016, section 45.0135, subdivision 6, is amended to read:

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under subdivision 7 and transferred from the automobile theft prevention account in ~~section~~ sections 65B.84, subdivision 1, and 297I.11, subdivision 2, is deposited in the account. Money in this fund is appropriated to the commissioner of commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 2. Minnesota Statutes 2016, section 46.131, subdivision 7, is amended to read:

Subd. 7. **Fiscal year assessments.** Such assessments shall be levied on July 1, 1965, and ~~at~~ prior to the beginning of each fiscal period beginning July 1 and ending June 30 thereafter, and shall be based on the total estimated expense as herein referred to during such period. Assessment revenue will be remitted to the commissioner for deposit in the financial institutions account on or before July 1 of each year.

Sec. 3. Minnesota Statutes 2016, section 46.131, is amended by adding a subdivision to read:

Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions account is created as a separate account in the special revenue fund. The account consists of funds received from assessments under subdivision 7 and examination fees under subdivision 8. Earnings, including interest, dividends, and any other earnings arising from account assets, must be credited to the account.

(b) Funds in the account are annually appropriated to the commissioner of commerce for activities under this section.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 53B.11, subdivision 1, is amended to read:

Subdivision 1. **Fee.** The annual fee for renewal of a license under this chapter is ~~\$2,500~~ \$3,030.

Sec. 5. Minnesota Statutes 2016, section 58.10, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

(1) for a residential mortgage originator license, \$1,000, \$50 of which is credited to the consumer education account in the special revenue fund;

(2) for a renewal license, ~~\$500~~ \$780, \$50 of which is credited to the consumer education account in the special revenue fund;

(3) for a residential mortgage servicer's license, \$500;

(4) for a renewal license, \$250; and

(5) for a certificate of exemption, \$100.

Sec. 6. Minnesota Statutes 2016, section 65B.84, subdivision 1, is amended to read:

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; and

(v) an estimate of the funds required to implement the plan; and

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

- (i) paying the administrative costs of the program;
 - (ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;
 - (iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;
 - (iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;
 - (v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;
 - (vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; and
 - (vii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.
- (b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, less the transfer of \$1,300,000 each year to the ~~general fund~~ insurance fraud prevention account described in section 297I.11, subdivision 2.
- (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances in the auto theft prevention account to the insurance fraud prevention account under section 45.0135, subdivision 6.

Sec. 7. Minnesota Statutes 2016, section 80A.65, subdivision 2, is amended to read:

Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, ~~\$50~~ \$60 in the case of an agent, and \$100 in the case of an investment adviser. When an application is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of \$25.

Sec. 8. Minnesota Statutes 2016, section 239.101, subdivision 2, is amended to read:

Subd. 2. **Weights and measures fees.** The director shall charge a fee to the owner for inspecting and testing weights and measures, providing metrology services and consultation, and providing petroleum quality assurance tests at the request of a licensed distributor. Money collected by the director must be paid into the state treasury ~~and~~ as follows: (1) ten percent of metrology fees and

ten percent of all other fees must be credited to the petroleum inspection fee account; and (2) the remainder must be credited to the state general fund.

Sec. 9. Minnesota Statutes 2016, section 297I.11, subdivision 2, is amended to read:

Subd. 2. **Automobile theft prevention account.** A special revenue account in the state treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to the ~~general fund~~ insurance fraud prevention account under section 45.0135, subdivision 6. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

Sec. 10. **REPEALER.**

Minnesota Statutes 2016, section 46.131, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to commerce; appropriating money for the Department of Commerce; making policy and technical changes; modifying fees; amending Minnesota Statutes 2016, sections 45.0135, subdivision 6; 46.131, subdivision 7, by adding a subdivision; 53B.11, subdivision 1; 58.10, subdivision 1; 65B.84, subdivision 1; 80A.65, subdivision 2; 239.101, subdivision 2; 297I.11, subdivision 2; repealing Minnesota Statutes 2016, section 46.131, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 78: A bill for an act relating to state government; establishing an Advisory Task Force on Fiscal Notes.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1709: A bill for an act relating to state government; establishing a Legislative Commission to Review Consolidation of the State's Information Technology; requiring a report.

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

Page 2, line 5, after the period, insert "The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting."

Page 2, line 11, delete "April 30" and insert "February 28"

Page 2, line 27, delete "April 30" and insert "February 28"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1492: A bill for an act relating to human services; establishing legislative commission on managed care; requiring a report.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Health and Human Services Finance and Policy. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1568: A bill for an act relating to data practices; delaying expiration of the legislative commission on data practices; amending Minnesota Statutes 2016, section 3.8843, subdivision 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1251: A bill for an act relating to state government; establishing a Legislative Commission on Cybersecurity; providing legislative appointments; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Page 1, line 21, delete "and law"

Page 2, line 1, delete "shall" and insert "may"

Page 2, line 10, after the period, insert "The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1154: A bill for an act relating to human services; establishing the Human Services Financing Reform Task Force.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Human Services Reform Finance and Policy. Report adopted.

Senator Gazelka from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 1472: A bill for an act relating to health; providing for attorney general review and approval of conversions by nonprofit health care entity organizations; specifying notice and review requirements; establishing standards for distribution of certain assets; amending Minnesota Statutes 2016, section 317A.811, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reports the same back with the recommendation that Joint Rule 2.03 be suspended for all further proceedings on S.F. No. 1472 and that the report from the Committee on Health and Human Services Finance and Policy, shown in the Journal for March 15, 2017, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on State Government Finance and Policy and Elections". Amendments adopted. Report adopted.

Senator Limmer from the Committee on Judiciary and Public Safety Finance and Policy, to which was referred

S.F. No. 803: A bill for an act relating to public safety; modifying certain provisions relating to courts, public safety, firefighters, corrections, crime, disaster assistance, and controlled substances; requesting reports; providing for penalties; appropriating money for public safety, courts, corrections, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Sentencing Guidelines, Peace Officer Standards and Training (POST) Board, Private Detective Board, and Human Rights; amending Minnesota Statutes 2016, sections 13.02, subdivision 17; 271.06, subdivision 6; 271.21, subdivision 2; 299A.55, subdivisions 2, 4; 364.01; 504B.173, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 271; 364.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. Appropriations for the fiscal year ending June 30, 2017, are effective the day following final enactment.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>		
<u>2017</u>	<u>2018</u>	<u>2019</u>	
Sec. 2. <u>SUPREME COURT</u>			
Subdivision 1. <u>Total Appropriation</u>	\$	<u>48,530,000</u>	\$ <u>48,944,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>			
Subd. 2. <u>Supreme Court Operations</u>		<u>35,385,000</u>	<u>35,799,000</u>
<u>Contingent Account. \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.</u>			
Subd. 3. <u>Civil Legal Services</u>		<u>13,145,000</u>	<u>13,145,000</u>
<u>Legal Services to Low-Income Clients in Family Law Matters. \$948,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.</u>			
Sec. 3. <u>COURT OF APPEALS</u>	\$	<u>12,082,000</u>	\$ <u>12,163,000</u>
Sec. 4. <u>DISTRICT COURTS</u>	\$	<u>282,892,000</u>	\$ <u>285,470,000</u>
<u>New Trial Judges. \$884,000 the first year and \$818,000 the second year are for two new trial court judge units.</u>			
Sec. 5. <u>GUARDIAN AD LITEM BOARD</u>	\$	<u>15,547,000</u>	\$ <u>15,675,000</u>
Sec. 6. <u>TAX COURT</u>	\$	<u>1,397,000</u>	\$ <u>1,401,000</u>

Sec. 7. **UNIFORM LAWS COMMISSION** \$ 93,000 \$ 93,000

Sec. 8. **BOARD ON JUDICIAL STANDARDS** \$ 486,000 \$ 486,000

Major Disciplinary Actions. \$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2021.

Sec. 9. **BOARD OF PUBLIC DEFENSE** \$ 84,083,000 \$ 84,853,000

Sec. 10. **SENTENCING GUIDELINES** \$ 647,000 \$ 651,000

Sec. 11. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation** \$ 188,106,000 \$ 188,248,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>94,763,000</u>	<u>94,876,000</u>
<u>Special Revenue</u>	<u>13,707,000</u>	<u>13,709,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>103,000</u>	<u>103,000</u>
<u>Environmental</u>	<u>73,000</u>	<u>73,000</u>
<u>Trunk Highway</u>	<u>2,341,000</u>	<u>2,356,000</u>
<u>911 Fund</u>	<u>77,119,000</u>	<u>77,131,000</u>

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

Subd. 2. **Emergency Management** 3,479,000 3,343,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>2,556,000</u>	<u>2,420,000</u>
<u>Environmental</u>	<u>73,000</u>	<u>73,000</u>
<u>Special Revenue Fund</u>	<u>850,000</u>	<u>850,000</u>

(a) Hazmat and Chemical Assessment Teams

\$850,000 each year is from the fire safety account in the special revenue fund. These amounts must be used to fund the hazardous

materials and chemical assessment teams. Of this amount, \$100,000 the first year is for cases for which there is no identified responsible party.

(b) Supplemental Nonprofit Security Grants

\$150,000 the first year from the general fund is for supplemental nonprofit security grants under this paragraph.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to \$75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program.

The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program.

Subd. 3. Criminal Apprehension

53,944,000

54,180,000

<u>Appropriations by Fund</u>		
<u>General</u>	<u>51,596,000</u>	<u>51,817,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>
<u>Trunk Highway</u>	<u>2,341,000</u>	<u>2,356,000</u>

DWI Lab Analysis; Trunk Highway Fund.

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$2,341,000 the first year and \$2,356,000 the second year are from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

<u>Subd. 4. Fire Marshal</u>	<u>6,123,000</u>	<u>6,167,000</u>
-------------------------------------	------------------	------------------

<u>Appropriations by Fund</u>		
<u>Special Revenue</u>	<u>6,123,000</u>	<u>6,167,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

Inspections. \$300,000 each year is for inspection of senior health care facilities.

<u>Subd. 5. Firefighter Training and Education Board</u>	<u>5,987,000</u>	<u>5,943,000</u>
---	------------------	------------------

<u>Appropriations by Fund</u>		
<u>Special Revenue</u>	<u>5,987,000</u>	<u>5,943,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Firefighter Training and Education

\$1,634,000 the first year and \$1,590,000 the second year are for increased firefighter training and education.

(b) Task Force 1

\$500,000 each year is for an increase to Minnesota Task Force 1.

(c) Air Rescue

\$250,000 each year is to fund the Minnesota Air Rescue Team.

(d) Unappropriated Revenue

Any additional unappropriated money collected in fiscal year 2017 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

<u>Subd. 6. Alcohol and Gambling Enforcement</u>	<u>2,416,000</u>	<u>2,431,000</u>
---	------------------	------------------

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>1,669,000</u>	<u>1,682,000</u>
<u>Special Revenue</u>	<u>747,000</u>	<u>749,000</u>

\$677,000 the first year and \$679,000 the second year are from the alcohol enforcement account in the special revenue fund. Of this appropriation, \$500,000 each year shall be transferred to the general fund.

\$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

<u>Subd. 7. Office of Justice Programs</u>	<u>39,038,000</u>	<u>39,053,000</u>
---	-------------------	-------------------

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>38,942,000</u>	<u>38,957,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

OJP Administration Costs. Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

<u>Subd. 8. Emergency Communication Networks</u>	<u>77,119,000</u>	<u>77,131,000</u>
---	-------------------	-------------------

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

(a) Public Safety Answering Points

\$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) Medical Resource Communication Centers

\$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) ARMER Debt Service

\$23,261,000 each year is to the commissioner of management and budget to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8; or Laws 2007, chapter 54, article 1, section 10, subdivision 8.

(d) ARMER State Backbone Operating Costs

\$9,650,000 each year is to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(e) ARMER Improvements

\$1,000,000 each year is to the Statewide Emergency Communications Board for improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide interim enhancement of public safety communication interoperability in those areas of the state where the statewide

public safety radio and communication system is not yet implemented, and grants to local units of government to further the strategic goals set forth by the Statewide Emergency Communications Board strategic plan.

Sec. 12. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD

Subdivision 1. **Total Appropriation** \$ **4,394,000** \$ **4,398,000**

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>360,000</u>	<u>360,000</u>
<u>Special Revenue</u>	<u>4,034,000</u>	<u>4,038,000</u>

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

Subd. 2. Excess Amounts Transferred

The special revenue fund appropriation is from the peace officer training account. Any new receipts credited to that account in the first year in excess of \$4,034,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$4,038,000 must be transferred and credited to the general fund.

Subd. 3. Peace Officer Training Reimbursements

(a) \$2,859,000 each year from the peace officer training account in the special revenue fund is for reimbursements to local governments for peace officer training costs.

(b) \$360,000 each year from the general fund is for reimbursements to local governments for peace officer training costs.

Sec. 13. **PRIVATE DETECTIVE BOARD** \$ **190,000** \$ **190,000**

Sec. 14. **HUMAN RIGHTS** \$ **4,197,000** \$ **4,212,000**

Sec. 15. CORRECTIONSSubdivision 1. Total

<u>Appropriation</u>	\$	<u>9,200,000</u>	\$	<u>564,557,000</u>	\$	<u>555,395,000</u>
----------------------	----	------------------	----	--------------------	----	--------------------

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

Subd. 2. Correctional

<u>Institutions</u>		<u>9,200,000</u>		<u>412,449,000</u>		<u>403,088,000</u>
---------------------	--	------------------	--	--------------------	--	--------------------

Offender Health Care. \$9,200,000 in fiscal year 2017 is to fund a deficiency in the base budget for the offender health care contract.

\$11,400,000 the first year is for the fiscal year 2018 offender health care contract. The base for this item is \$11,400,000 in each of fiscal years 2020 and 2021.

<u>Subd. 3. Community Services</u>				<u>124,885,000</u>		<u>125,026,000</u>
------------------------------------	--	--	--	--------------------	--	--------------------

<u>Subd. 4. Operations Support</u>				<u>27,223,000</u>		<u>27,281,000</u>
------------------------------------	--	--	--	-------------------	--	-------------------

Critical Technology Needs. \$1,500,000 each year is to support critical technology needs.

ARTICLE 2**COURT-RELATED FEE DECREASES**

Section 1. Minnesota Statutes 2016, section 271.21, subdivision 2, is amended to read:

Subd. 2. **Jurisdiction.** At the election of the taxpayer, the Small Claims Division shall have jurisdiction only in the following matters:

(a) cases involving valuation, assessment, or taxation of real or personal property, if:

(i) the issue is a denial of a current year application for the homestead classification for the taxpayer's property;

(ii) only one parcel is included in the petition, the entire parcel is classified as homestead class 1a or 1b under section 273.13, and the parcel contains no more than one dwelling unit;

(iii) the entire property is classified as agricultural homestead class 2a or 1b under section 273.13;
or

(iv) the assessor's estimated market value of the property included in the petition is less than \$300,000; or

(b) any case not involving valuation, assessment, or taxation of real and personal property in which the amount in controversy does not exceed ~~\$5,000~~ \$15,000, including penalty and interest.

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

Sec. 2. Minnesota Statutes 2016, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$340~~ \$280, except in marriage dissolution actions the fee is ~~\$340~~ \$310.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$340~~ \$280, except in marriage dissolution actions the fee is ~~\$340~~ \$310. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay \$100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$14, and \$8 for an uncertified copy.

(3) Issuing a subpoena, \$16 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, ~~\$100~~ \$75.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$55.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$40.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$55.

(11) For the deposit of a will, \$27.

(12) For recording notary commission, \$20.

(13) Filing a motion or response to a motion for modification of child support, a fee of ~~\$100~~ \$50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 357.022, is amended to read:

357.022 CONCILIATION COURT FEE.

The court administrator in every county shall charge and collect a filing fee of ~~\$65~~ \$50 from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. This section does not apply to conciliation court actions filed by the state. The court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 609.748, subdivision 3a, is amended to read:

Subd. 3a. **Filing fee; cost of service.** The filing fees for a restraining order under this section are waived for the petitioner and the respondent if the petition alleges acts that would constitute a violation of section 609.749, subdivision 2, 3, 4, or 5, or sections 609.342 to 609.3451. The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall direct payment of the reasonable costs of service of process if served by a private process server when the sheriff is unavailable or if service is made by publication. ~~The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.~~

EFFECTIVE DATE. This section is effective July 1, 2017."

Delete the title and insert:

"A bill for an act relating to public safety; appropriating money for public safety, courts, corrections, Guardian Ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, Sentencing Guidelines, Peace Officer Standards and Training (POST) Board, Private Detective Board, and Human Rights; lowering certain court-related fees; amending Minnesota Statutes 2016, sections 271.21, subdivision 2; 357.021, subdivision 2; 357.022; 609.748, subdivision 3a."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Ingebrigtsen from the Committee on Environment and Natural Resources Finance, to which was referred

S.F. No. 723: A bill for an act relating to state government; appropriating money for environment and natural resources; modifying fees; creating accounts and providing for disposition of certain receipts; providing for wild ginseng licenses; modifying funding for county water safety; modifying certain game and fish license and permit provisions; requiring rulemaking; amending Minnesota Statutes 2016, sections 84.027, by adding a subdivision; 84.091, subdivisions 2, 3, by adding a subdivision; 84.0911, subdivision 2; 84.093; 84.42; 84.82, subdivision 3; 84.8205, subdivision 1; 84.922, subdivision 5; 84.9275, subdivision 1; 85.052, subdivision 1; 85.055, subdivision 1; 85.22, subdivision 2a; 85.42; 86B.415, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7; 86B.701, subdivision 3; 97A.015, by adding a subdivision; 97A.441, subdivisions 5, 6, 6a, by adding a subdivision; 97A.473, subdivisions 2, 2a, 2b, 4, 5, 5a; 97A.474, subdivision 2; 97A.475, subdivisions 2, 3, 6, 7, 8; 97C.081, subdivision 3; 97C.355, subdivision 2a; 103G.271, subdivisions 6, 6a; 103G.301, subdivisions 2, 3; 296A.18, subdivision 6a; 609B.112; proposing coding for new law in Minnesota Statutes, chapters 84; 85; 97A; repealing Minnesota Rules, part 6282.0400, subparts 2, 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

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

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019. Appropriations for the fiscal year ending June 30, 2017, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year

	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>
Sec. 2. <u>POLLUTION CONTROL AGENCY</u>		
Subdivision 1. <u>Total Appropriation</u>	\$	\$
	<u>90,094,000</u>	<u>89,774,000</u>
<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>818,000</u>	<u>818,000</u>
<u>State Government</u>
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>77,767,000</u>	<u>77,447,000</u>
<u>Remediation</u>	<u>11,434,000</u>	<u>11,434,000</u>
Subd. 2. <u>Environmental Analysis and Outcomes</u>	<u>11,619,000</u>	<u>11,619,000</u>
<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>818,000</u>	<u>818,000</u>
<u>Environmental</u>	<u>10,620,000</u>	<u>10,620,000</u>
<u>Remediation</u>	<u>181,000</u>	<u>181,000</u>

(a) \$88,000 the first year and \$88,000 the second year are from the environmental fund for:

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

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

(3) development of statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

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

resources needed for municipalities to achieve permit requirements.

(b) \$204,000 the first year and \$204,000 the second year are from the environmental fund for a statewide monitoring program under Minnesota Statutes, section 116.454.

(c) \$346,000 the first year and \$346,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

(d) \$90,000 the first year and \$90,000 the second year are from the environmental fund for duties related to harmful chemicals in children's products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

(e) \$109,000 the first year and \$109,000 the second year are from the environmental fund for registration of wastewater laboratories.

(f) \$913,000 the first year and \$913,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and address other environmental health risks, including air quality. The communities must include Hmong and other immigrant farming communities. Of this amount, up to \$677,000 the first year and \$677,000 the second year are for transfer to the Department of Health.

(g) The direct appropriation base budget for environmental analysis and outcomes in the environmental fund for fiscal year 2020 and later is \$11,420,000. The general fund appropriations in this subdivision are onetime.

Subd. 3. **Industrial**

13,509,000

13,508,000

Appropriations by Fund

2018

2019

<u>Environmental</u>	<u>12,979,000</u>	<u>12,978,000</u>
<u>Remediation</u>	<u>530,000</u>	<u>530,000</u>

\$530,000 the first year and \$530,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

Subd. 4. <u>Municipal</u>	<u>6,625,000</u>	<u>6,624,000</u>
----------------------------------	------------------	------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>Environmental</u>	<u>6,625,000</u>	<u>6,624,000</u>

(a) \$162,000 the first year and \$162,000 the second year are from the environmental fund for:

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

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

(3) development of statewide economic analyses and templates to reduce the amount of information and time required for municipalities to apply for variances from water quality standards; and

(4) coordinating with the Public Facilities Authority to identify and advocate for the resources needed for municipalities to achieve permit requirements.

(b) \$50,000 the first year and \$50,000 the second year are from the environmental fund

for transfer to the Office of Administrative Hearings to establish sanitary districts.

(c) \$615,000 the first year and \$614,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation shall submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available in the second year.

(d) \$639,000 the first year and \$640,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(e) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2019, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, storm water, and water quality protection in this subdivision are available until June 30, 2022.

<u>Subd. 5. Operations</u>	<u>4,639,000</u>	<u>4,640,000</u>
	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
<u>Environmental</u>	<u>3,875,000</u>	<u>3,875,000</u>
<u>Remediation</u>	<u>764,000</u>	<u>765,000</u>

\$174,000 the first year and \$174,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

Subd. 6. Remediation

10,645,000

10,644,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>Environmental</u>	<u>904,000</u>	<u>904,000</u>
<u>Remediation</u>	<u>9,741,000</u>	<u>9,740,000</u>

(a) All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of management and budget that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2019.

(b) \$432,000 the first year and \$432,000 the second year are from the environmental fund to manage contaminated sediment projects at multiple sites identified in the St. Louis River remedial action plan to restore water quality in the St. Louis River area of concern. The base budget for fiscal year 2020 is \$432,000 and for fiscal year 2021 is \$0.

(c) \$3,521,000 the first year and \$3,520,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean

up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

(d) \$252,000 the first year and \$252,000 the second year are from the remediation fund for transfer to the commissioner of health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

Subd. 7. Resource Management and Assistance 33,537,000 33,519,000

<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
<u>State Government</u>	<u>.....</u>	<u>.....</u>
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>33,462,000</u>	<u>33,444,000</u>

(a) Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

(b) \$400,000 the first year and \$400,000 the second year are from the environmental fund for competitive recycling grants under Minnesota Statutes, section 115A.565. This appropriation is available until June 30, 2021. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year. This is a onetime appropriation.

(c) \$693,000 the first year and \$693,000 the second year are from the environmental fund for emission reduction activities and grants to small businesses and other nonpoint emission reduction efforts.

(d) \$17,750,000 the first year and \$17,750,000 the second year are from the environmental fund for SCORE block grants to counties.

(e) \$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

(f) \$68,000 the first year and \$69,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection.

(g) \$125,000 the first year and \$126,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

(h) \$20,000 the first year is from the environmental fund for four grants to local units of government to assist with plastic bag recycling efforts. Two of the grants must be for local units of government in urban areas and two of the grants to local units of government in rural areas of the state. By January 15, 2018, grantees shall report to the commissioner on the activities and results of their efforts to increase plastic bag recycling. This is a onetime appropriation.

(i) All money deposited in the environmental fund for the metropolitan solid waste landfill

fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.

(j) Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2019, as contracts or grants for environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2021.

Subd. 8. Watershed	<u>9,520,000</u>	<u>9,220,000</u>
---------------------------	------------------	------------------

<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
<u>Environmental</u>	<u>9,302,000</u>	<u>9,002,000</u>
<u>Remediation</u>	<u>218,000</u>	<u>218,000</u>

(a) \$1,959,000 the first year and \$1,959,000 the second year are from the environmental fund for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

(b) \$207,000 the first year and \$207,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

(c) \$118,000 the first year and \$118,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are

transferred from the petroleum tank fund to the remediation fund.

(d) \$300,000 the first year is from the environmental fund for a grant agreement with the Shell Rock River Watershed District for a pilot project to develop and implement a model for a water-quality credit trading program for storm water. The model must include identifying and quantifying projects in the Shell Rock River watershed completed on or after July 1, 2013, and identifying additional credit generators such as landowners, livestock farmers, in-lake water management practices, and stream restoration projects. The program must include credit-estimation methodologies and required trade ratios, credit demand calculation procedures, implementation recommendations, and a transferable credit trading infrastructure. The commissioner must convene a stakeholder group to guide the project. By July 1, 2019, the commissioner must provide a final report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over environmental and natural resources policy and finance. This is a onetime appropriation and is available until June 30, 2019.

Subd. 9. Transfer to Remediation Fund

The commissioner shall transfer up to \$34,000,000 from the environmental fund to the remediation fund for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 3. NATURAL RESOURCES

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>260,793,000</u>	<u>\$</u>	<u>255,943,000</u>
	<u>Appropriations by Fund</u>			
	<u>2018</u>		<u>2019</u>	
<u>General</u>	<u>74,453,000</u>		<u>68,798,000</u>	
<u>Natural Resources</u>	<u>87,248,000</u>		<u>88,603,000</u>	
<u>Game and Fish</u>	<u>98,292,000</u>		<u>98,242,000</u>	

<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
<u>Permanent School</u>	<u>700,000</u>	<u>200,000</u>

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

Subd. 2. Land and Mineral Resources Management 6,021,000 5,521,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>1,585,000</u>	<u>1,585,000</u>
<u>Natural Resources</u>	<u>3,392,000</u>	<u>3,392,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>
<u>Permanent School</u>	<u>700,000</u>	<u>200,000</u>

(a) \$319,000 the first year and \$319,000 the second year are for environmental research relating to mine permitting, of which \$200,000 each year is from the minerals management account and \$119,000 each year is from the general fund.

(b) \$2,815,000 the first year and \$2,815,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

(c) \$700,000 the first year and \$200,000 the second year are from the state forest suspense account in the permanent school fund to secure maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles. Of this amount, \$500,000 in the first year is for the school trust lands director to initiate the private sale of surplus school trust lands identified according to Minnesota Statutes, section 92.82, paragraph (d), including but not limited to valuation expenses, legal fees, and transactional staff

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

Subd. 3. Ecological and Water Resources

29,903,000

25,503,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>14,446,000</u>	<u>10,046,000</u>
<u>Natural Resources</u>	<u>10,576,000</u>	<u>10,576,000</u>
<u>Game and Fish</u>	<u>4,881,000</u>	<u>4,881,000</u>

(a) \$3,242,000 the first year and \$3,242,000 the second year are from the invasive species account in the natural resources fund and \$2,206,000 the first year and \$2,206,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

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

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

(d) \$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

(e) \$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementation of the Red River mediation agreement.

(f) \$2,018,000 the first year and \$2,018,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

(g) \$950,000 the first year and \$950,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame wildlife information, education, and promotion.

(h) Notwithstanding Minnesota Statutes, section 84.943, \$13,000 the first year and \$13,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

(i) \$4,400,000 the first year and \$2,000,000 the second year are from the general fund for the following activities:

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

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

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

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

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

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

(7) compliance and monitoring.

(j) \$400,000 the first year and \$400,000 the second year are from the heritage enhancement account in the game and fish fund for grants to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota to prioritize, support, and develop research-based solutions that can reduce the effects of aquatic invasive species in Minnesota by preventing spread, controlling populations, and managing ecosystems and to advance knowledge to inspire action by others.

Subd. 4. <u>Forest Management</u>	<u>41,731,000</u>	<u>42,031,000</u>
--	-------------------	-------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>28,100,000</u>	<u>27,100,000</u>
<u>Natural Resources</u>	<u>12,344,000</u>	<u>13,644,000</u>
<u>Game and Fish</u>	<u>1,287,000</u>	<u>1,287,000</u>

(a) \$7,145,000 the first year and \$7,145,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund.

By January 15 of each year, the commissioner of natural resources shall submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

(b) \$12,144,000 the first year and \$13,644,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2. Of these amounts, \$500,000 the first year is for state forest road maintenance and \$1,000,000 the second year is for reforestation.

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

(d) \$780,000 the first year and \$780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

(e) \$200,000 the first year is from the forest management investment account in the natural resources fund for a study of the ability to sustainably harvest at least 1,000,000 cords of wood annually on state-administered forest lands. No later than January 2, 2018, the commissioner must report the study's findings to the legislative committees with jurisdiction over environment and natural resources policy and finance. This is a onetime appropriation.

(f) The general fund base amount for this subdivision for fiscal year 2020 and later is \$26,600,000 per year.

Subd. 5. Parks and Trails Management

75,850,000

75,650,000

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>25,182,000</u>	<u>24,927,000</u>
<u>Natural Resources</u>	<u>48,395,000</u>	<u>48,450,000</u>
<u>Game and Fish</u>	<u>2,273,000</u>	<u>2,273,000</u>

(a) \$13,650,000 the first year and \$13,650,000 the second year are from the state parks account for state park operations.

(b) \$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for enhancing public water access facilities.

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

(d) \$1,005,000 the first year and \$1,005,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grants. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$130,000 the first year is from the general fund, and \$8,294,000 the first year and \$8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$1,560,000 the first year and \$1,685,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,085,000 the first year and \$1,210,000 the second year are from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and

\$325,000 each year is from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(g) \$125,000 the first year is from the general fund for all terrain vehicle grants-in-aid program. This is a onetime appropriation.

(h) \$75,000 the first year and \$75,000 the second year are from the cross-country ski account in the natural resources fund for grooming and maintaining cross-country ski trails in state parks, trails, and recreation areas.

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

(j) \$250,000 the first year and \$250,000 the second year are from the general fund for matching grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2.

(k) \$250,000 the first year and \$250,000 the second year are from the general fund for matching grants for local trail connections under Minnesota Statutes, section 85.019, subdivision 4c.

(l) \$50,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to the city of Virginia to assist the Virginia Area All-Terrain Vehicle Club to plan, design, engineer, and permit a comprehensive all-terrain vehicle system in the Virginia area and to connect with the Iron Range

Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available until June 30, 2020.

(m) \$150,000 the first year is from the all-terrain vehicle account in the natural resources fund for a grant to the city of Orr to predesign, design, and construct the Voyageur all-terrain vehicle trail system, including:

(1) design of the alignment for phase I of the Voyageur all-terrain vehicle trail system and development of a preliminary phase II alignment;

(2) completion of wetland delineation and wetland permitting;

(3) completion of the engineering design and cost estimates for a snowmobile and off-highway vehicle bridge over the Vermilion River to establish a trail connection; and

(4) completion of the master plan for the Voyageur all-terrain vehicle trail system.

This is a onetime appropriation and is available until June 30, 2020.

(n) In fiscal year 2018 and fiscal year 2019, the level of service and hours of operation at Hills Annex Mine State Park must be maintained at fiscal year 2016 levels.

Subd. 6. Fish and Wildlife Management	<u>67,591,000</u>	<u>67,541,000</u>
<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
<u>Natural Resources</u>	<u>1,912,000</u>	<u>1,912,000</u>
<u>Game and Fish</u>	<u>65,679,000</u>	<u>65,629,000</u>

(a) \$8,167,000 the first year and \$8,167,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding

Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

(b) \$20,000 the first year is from the heritage enhancement account in the game and fish fund for a study on the effects of lead shot on wildlife on state lands. By January 15, 2018, the commissioner shall provide a report of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over natural resources policy and finance. This is a onetime appropriation.

(c) \$30,000 the first year is from the heritage enhancement account in the game and fish fund for the commissioner of natural resources to contract with a private entity to search for a site to construct a world-class shooting range and club house for use by the Minnesota State High School League and for other regional, statewide, national, and international shooting events. The commissioner must provide public notice of the search, including making the public aware of the process through the Department of Natural Resources' media outlets, and solicit input on the location and building options for the facility. The siting search process must include a public process to determine if any business or individual is interested in donating land for the facility, anticipated to be at least 500 acres. The site search team must meet with interested third parties affected by or interested in the facility. The commissioner must submit a report with the results of the site search to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the environment and natural resources by March 1, 2018. This is a onetime appropriation.

(d) \$10,000 the first year and \$10,000 the second year from the heritage enhancement account in the game and fish fund are for

grants to Midwest Hmong Outdoors for hunter and angler recruitment. This is a onetime appropriation.

Subd. 7. Enforcement

39,377,000

39,377,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>5,140,000</u>	<u>5,140,000</u>
<u>Natural Resources</u>	<u>10,309,000</u>	<u>10,309,000</u>
<u>Game and Fish</u>	<u>23,828,000</u>	<u>23,828,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

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

(b) \$1,580,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

(c) \$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) \$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(e) \$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section

84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization and must not be used as a substitute for traditional spending by the organization. By December 15 each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(f) \$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 8. Operations Support	<u>320,000</u>	<u>320,000</u>
------------------------------------	----------------	----------------

	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
<u>Natural Resources</u>	<u>320,000</u>	<u>320,000</u>

\$320,000 the first year and \$320,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Duluth Zoo. This appropriation is from

the revenue deposited to the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

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

\$ 13,404,000 \$ 13,404,000

(a) \$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. The base amount for fiscal year 2020 and later is \$3,223,000 per year.

(b) \$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation and stewardship of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a payment under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

(c) \$260,000 the first year and \$260,000 the second year are for feedlot water quality cost share grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters.

(d) \$1,200,000 the first year and \$1,200,000 the second year are for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices.

(e) \$100,000 the first year is for county cooperative weed management cost-share programs and to restore native plants in selected invasive species management sites. The base amount for fiscal year 2020 and later is \$62,000 per year.

(f) \$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group. This is a onetime appropriation.

(g) \$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

(h) \$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

(i) \$761,000 the first year and \$761,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism. The base amount for fiscal year 2020 and later is \$500,000 per year.

(j) \$240,000 the first year and \$240,000 the second year are for a grant to the Lower Minnesota River Watershed District to defray the annual cost of operating and maintaining

Sec. 6. CONSERVATION CORPS MINNESOTA \$ 945,000 \$ 945,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	455,000	455,000
Natural Resources	490,000	490,000

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

Sec. 7. ZOOLOGICAL BOARD \$ 8,410,000 \$ 8,410,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	8,250,000	8,250,000
Natural Resources	160,000	160,000

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

Sec. 8. SCIENCE MUSEUM \$ 1,079,000 \$ 1,079,000

Sec. 9. EXPLORE MINNESOTA TOURISM \$ 14,248,000 \$ 14,248,000

(a) To develop maximum private sector involvement in tourism, \$500,000 the first year and \$500,000 the second year must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$6 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2018 shall be based on fiscal year 2017 private sector contributions. The incentive in fiscal year 2019 shall be based on fiscal

year 2018 private sector contributions. This incentive is ongoing.

(b) Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

(c) \$100,000 each year is for a grant to the Northern Lights International Music Festival.

(d) \$600,000 the first year is for the major events grant program. This appropriation is available until June 30, 2021.

Sec. 10. **ADMINISTRATION**

\$ 300,000 \$ 300,000

\$300,000 the first year and \$300,000 the second year are from the state forest suspense account in the permanent school fund for the school trust lands director to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

Sec. 11. Laws 2016, chapter 189, article 3, section 3, subdivision 3, is amended to read:

Subd. 3. **Ecological and Water Resources**

-0- 612,000

\$187,000 the second year is for a grant to the Middle-Snake-Tamarac Rivers Watershed District to match equal funds from the North Dakota State Water Commission and North Dakota water boards to conduct hydraulic modeling of alternative floodway options for the reach including and upstream and downstream of the Minnesota and North Dakota agricultural levies in the vicinity of Oslo, Minnesota. The modeling must include evaluating removal of floodway flow obstructions, channel obstructions, transportation access, and equalization of

agricultural levy protection. The project must be conducted in partnership with the border township association group representing four Minnesota townships and the city of Oslo and the three adjacent townships in North Dakota. This is a onetime appropriation and is available until June 30, 2018.

\$200,000 the second year is for a grant to the Koronis Lake Association for purposes of removing and preventing aquatic invasive species. This is a onetime appropriation. This appropriation is available until June 30, 2022.

\$225,000 the second year is from the water management account in the natural resources fund for water appropriation monitoring, modeling, and reporting for the Cold Spring Creek area as required under this act. This is a onetime appropriation and is available until June 30, 2022.

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

Sec. 12. Laws 2016, chapter 189, article 3, section 6, is amended to read:

Sec. 6. ADMINISTRATION	\$	250,000	\$	-0-
-------------------------------	----	----------------	----	------------

\$250,000 the first year is from the state forest suspense account in the permanent school fund for the school trust lands director to initiate real estate development projects on school trust lands as determined by the school trust lands director. This is a onetime appropriation and is available until June 30, 2019.

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

ARTICLE 2

STATUTORY PROVISIONS

Section 1. Minnesota Statutes 2016, section 84.01, is amended by adding a subdivision to read:

Subd. 6. **Legal counsel.** The commissioner may appoint attorneys or outside counsel to render title opinions, represent the department in severed mineral interest forfeiture actions brought pursuant to section 93.55, and, notwithstanding any statute to the contrary, represent the state in quiet title

or title registration actions affecting land or interests in land administered by the commissioner of natural resources.

Sec. 2. Minnesota Statutes 2016, section 84.027, is amended by adding a subdivision to read:

Subd. 14c. **Operating efficiency.** (a) The natural resources enforcement account is created in the special revenue fund. Money appropriated from the natural resources fund to the commissioner for enforcement activities under sections 84.794, 84.803, 84.927, 84D.15, 85.055, 86B.706, and 297A.94 may be transferred to this account.

(b) This subdivision does not apply to money appropriated for local law enforcement grants, county boat and water safety grants, and safety and environmental education and monitoring grants.

Sec. 3. Minnesota Statutes 2016, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

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

(2) registered in another state or country that have not been within this state for more than 30 consecutive days;

(3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;

(4) used exclusively in organized track racing events;

(5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; ~~or~~

(6) operated by a person participating in an event for which the commissioner has issued a special use permit; or

(7) operated on boundary trails and registered in another state or country providing equal reciprocal registration or licensing exemptions for registrants of this state.

Sec. 4. Minnesota Statutes 2016, section 84.793, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) A person six years or older but less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 84.795, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied by a person 18 years of age or older or participating in an event for which the commissioner has issued a special use permit.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 84.795, subdivision 1, paragraph (a), only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(f) Notwithstanding paragraph (a), a nonresident less than 16 years of age may operate an off-highway motorcycle on public lands or waters if the nonresident youth has in possession evidence of completing an off-road safety course offered by the Motorcycle Safety Foundation or another state as provided in section 84.791, subdivision 4.

Sec. 5. Minnesota Statutes 2016, section 84.8031, is amended to read:

84.8031 GRANT-IN-AID APPLICATIONS; REVIEW PERIOD.

The commissioner must review an off-road vehicle grant-in-aid application and, if approved, ~~commence~~ begin public review of the application within 60 days after the completed application has been locally approved and submitted to an area parks and trails office. If the commissioner fails to approve or deny the application within 60 days after submission, the application is deemed approved and the commissioner must provide for a 30-day public review period. If the commissioner denies an application, the commissioner must provide the applicant with a written explanation for denying the application at the time the applicant is notified of the denial.

Sec. 6. Minnesota Statutes 2016, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, issuing fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary 21-day permit. Once issued, the registration number must be affixed

to the snowmobile in a clearly visible and permanent manner for enforcement purposes as the commissioner of natural resources shall prescribe. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary 21-day permit period. The registration is not valid unless signed by at least one owner.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) ~~A fee of \$2~~ In addition to ~~that otherwise~~ other fees prescribed by law ~~shall be charged for,~~ an issuing fee of \$4.50 is charged for each snowmobile registration renewal, duplicate or replacement registration card, and replacement decal and an issuing fee of \$7 is charged for each snowmobile registration and registration transfer issued by:

(1) ~~each snowmobile registered by the~~ a registrar or a deputy registrar and the additional fee shall be disposed of must be deposited in the manner provided in section 168.33, subdivision 2; or

(2) ~~each snowmobile registered by the commissioner and the additional fee shall~~ must be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 7. Minnesota Statutes 2016, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program established.** (a) The commissioner shall establish a comprehensive all-terrain vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course. A parent or guardian must be present at the hands-on training portion of the program for youth who are six through ten years of age.

(b) For the purpose of administering the program and to defray the expenses of training and certifying vehicle operators, the commissioner shall collect a fee from each person who receives the training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish both fees in a manner that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the services. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply. The fees may be established by the commissioner notwithstanding section 16A.1283. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund and the amount thereof, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, and issuing fees collected by the commissioner, is appropriated annually to the Enforcement Division of the Department of Natural Resources for the administration of the programs. In addition to the fee established by the commissioner, instructors may charge each person up to the established fee amount for class materials and expenses.

(c) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators. The commissioner shall incorporate a riding component in the safety education and training program.

Sec. 8. Minnesota Statutes 2016, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

- (1) make a direct crossing of a public road right-of-way;
- (2) operate an all-terrain vehicle on a public road right-of-way in the state; or
- (3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

- (1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and
- (2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least ~~14~~ six years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

(1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and

(2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 9. Minnesota Statutes 2016, section 84.946, subdivision 2, is amended to read:

Subd. 2. **Standards.** (a) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of natural resources will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(b) An appropriation for asset preservation must not be used to acquire land or to acquire or construct buildings or other facilities.

(c) Capital budget expenditures for natural resource asset preservation and replacement projects must be for one or more of the following types of capital projects that support the existing programmatic mission of the department: code compliance including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; building energy efficiency improvements using current best practices; building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; projects to remove life safety hazards such as building code violations or structural defects; or renovation of other existing improvements to land, including but not limited to trails and bridges.

(d) Up to ten percent of an appropriation awarded under this section may be used for design costs for projects eligible to be funded from this account in anticipation of future funding from the account.

Sec. 10. Minnesota Statutes 2016, section 84.946, is amended by adding a subdivision to read:

Subd. 4. Priorities; report. The commissioner of natural resources must establish priorities for natural resource asset preservation and replacement projects. By January 15 each year, the commissioner must submit to the commissioner of management and budget a list of the projects that have been paid for with money from a natural resource asset preservation and replacement appropriation during the preceding calendar year.

Sec. 11. Minnesota Statutes 2016, section 84.992, subdivision 3, is amended to read:

Subd. 3. Training and mentoring. The commissioner must develop and implement a training program that adequately prepares Minnesota Naturalist Corps members for the tasks assigned. Each corps member ~~shall be~~ is assigned ~~a state park~~ an interpretive naturalist as a mentor.

Sec. 12. Minnesota Statutes 2016, section 84.992, subdivision 4, is amended to read:

Subd. 4. Uniform patch pin. Uniforms worn by members of the Minnesota Naturalist Corps must have a patch pin that includes the name of the Minnesota Naturalist Corps and information that the program is funded by the clean water, land, and legacy amendment to the Minnesota Constitution adopted by the voters in November 2008.

Sec. 13. Minnesota Statutes 2016, section 84.992, subdivision 5, is amended to read:

Subd. 5. Eligibility. A person is eligible to enroll in the Minnesota Naturalist Corps if the person:

(1) is a permanent resident of the state;

(2) is a participant in an approved college internship program ~~or has a postsecondary degree in a field related to natural resource~~ resources, cultural history, interpretation, or conservation related field; and

(3) has completed at least one year of postsecondary education.

Sec. 14. Minnesota Statutes 2016, section 84.992, subdivision 6, is amended to read:

Subd. 6. Corps member status. Minnesota Naturalist Corps members are not eligible for unemployment benefits ~~if their services are excluded under section 268.035, subdivision 20,~~ and are not eligible for other benefits except workers' compensation. The corps members are not employees of the state within the meaning of section 43A.02, subdivision 21.

Sec. 15. Minnesota Statutes 2016, section 84D.03, subdivision 3, is amended to read:

Subd. 3. Bait harvest from infested waters. (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited, except as provided in paragraph (b), (c), or (d), and section 97C.341.

(b) In waters that are listed as infested waters, except those listed as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian watermilfoil, when the infested waters are listed solely because they contain Eurasian watermilfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length.

(c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait by hook and line for noncommercial personal use is allowed as follows:

(1) fish taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

(2) fish taken under this paragraph may not be transported live from or off the water body;

(3) fish harvested under this paragraph may only be used in accordance with this section;

(4) any other use of wild animals used for bait from infested waters is prohibited;

(5) fish taken under this paragraph must meet all other size restrictions and requirements as established in rules; and

(6) all species listed under this paragraph shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body; and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

This paragraph expires December 1, 2017.

(e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

(f) Bait intended for sale may not be held in infested water after taking and before sale, unless authorized under a license or permit according to Minnesota Rules, part 6216.0500.

Sec. 16. Minnesota Statutes 2016, section 84D.03, subdivision 4, is amended to read:

Subd. 4. **Commercial fishing and turtle, frog, and crayfish harvesting restrictions in infested and noninfested waters.** (a) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed because it contains invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982, ~~may not be used in any other waters. If a commercial licensee operates in an infested water listed because it contains invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982, all nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in waters listed as infested with invasive fish, invertebrates, or certifiable diseases, as defined in section 17.4982,~~ must be tagged with tags provided by the commissioner, as specified in the commercial licensee's license or permit. Tagged gear must not be used in any water bodies other than those specified in the license or permit. The permit may authorize department staff to remove tags after the gear is decontaminated. This tagging requirement does not apply to commercial fishing equipment used in Lake Superior.

(b) All nets, traps, buoys, anchors, stakes, and lines used for commercial fishing or turtle, frog, or crayfish harvesting in an infested water that is listed solely because it contains Eurasian watermilfoil must be dried for a minimum of ten days or frozen for a minimum of two days before they are used in any other waters, except as provided in this paragraph. Commercial licensees must notify the department's regional or area fisheries office or a conservation officer before removing nets or equipment from an infested water listed solely because it contains Eurasian watermilfoil and before resetting those nets or equipment in any other waters. Upon notification, the commissioner may authorize a commercial licensee to move nets or equipment to another water without freezing or drying, if that water is listed as infested solely because it contains Eurasian watermilfoil.

(c) A commercial licensee must remove all aquatic macrophytes from nets and other equipment before placing the equipment into waters of the state.

(d) The commissioner shall provide a commercial licensee with a current listing of listed infested waters at the time that a license or permit is issued.

Sec. 17. Minnesota Statutes 2016, section 84D.04, subdivision 1, is amended to read:

Subdivision 1. **Classes.** The commissioner shall, as provided in this chapter, classify nonnative species of aquatic plants and wild animals, including subspecies, genotypes, cultivars, hybrids, or genera of nonnative species, according to the following categories:

(1) prohibited invasive species, which may not be possessed, imported, purchased, sold, propagated, transported, or introduced except as provided in section 84D.05;

(2) regulated invasive species, which may not be introduced except as provided in section 84D.07;

(3) unlisted nonnative species, which are subject to the classification procedure in section 84D.06; and

(4) unregulated nonnative species, which are not subject to regulation under this chapter.

Sec. 18. Minnesota Statutes 2016, section 84D.05, subdivision 1, is amended to read:

Subdivision 1. **Prohibited activities.** A person may not possess, import, purchase, sell, propagate, transport, or introduce a prohibited invasive species, except:

(1) under a permit issued by the commissioner under section 84D.11;

(2) in the case of purple loosestrife, as provided by sections 18.75 to 18.88;

(3) under a restricted species permit issued under section 17.457;

(4) when being transported to the department, or another destination as the commissioner may direct, in a sealed container for purposes of identifying the species or reporting the presence of the species;

(5) when being transported for disposal as part of a harvest or control activity when specifically authorized under a permit issued by the commissioner according to section 103G.615, when being transported for disposal as specified under a commercial fishing license issued by the commissioner according to section 97A.418, 97C.801, 97C.811, 97C.825, 97C.831, or 97C.835, or when being transported as specified by the commissioner;

(6) when being removed from watercraft and equipment, or caught while angling, and immediately returned to the water from which they came; ~~or~~

(7) when being transported from riparian property to a legal disposal site that is at least 100 feet from any surface water, ditch, or seasonally flooded land, provided the prohibited invasive species are in a covered commercial vehicle specifically designed and used for hauling trash; or

~~(7)~~ (8) as the commissioner may otherwise prescribe by rule.

Sec. 19. Minnesota Statutes 2016, section 84D.108, subdivision 2a, is amended to read:

Subd. 2a. **Lake Minnetonka pilot study.** (a) The commissioner may issue an additional permit to service providers to return to Lake Minnetonka water-related equipment with zebra mussels attached after the equipment has been seasonally stored, serviced, or repaired. The permit must include verification and documentation requirements and any other conditions the commissioner deems necessary.

(b) Water-related equipment with zebra mussels attached may be returned only to Lake Minnetonka (DNR Division of Waters number 27-0133) by service providers permitted under subdivision 1.

(c) The service provider's place of business must be within the Lake Minnetonka Conservation District as established according to sections 103B.601 to 103B.645, or within a municipality immediately bordering the Lake Minnetonka Conservation District's boundaries.

(d) A service provider applying for a permit under this subdivision must, if approved for a permit and before the permit is valid, furnish a corporate surety bond in favor of the state for \$50,000 payable upon violation of this chapter while the service provider is acting under a permit issued according to this subdivision.

(e) This subdivision expires December 1, 2018 2019.

Sec. 20. Minnesota Statutes 2016, section 84D.108, is amended by adding a subdivision to read:

Subd. 2b. **Gull Lake pilot study.** (a) The commissioner may include an additional targeted pilot study to include water-related equipment with zebra mussels attached for the Gull Narrows State Water Access Site, Government Point State Water Access Site, and Gull East State Water Access Site on Gull Lake (DNR Division of Waters number 11-0305) in Cass and Crow Wing Counties utilizing the same authorities, general procedures, and requirements provided for the Lake Minnetonka pilot project in section 84D.108, subdivision 2a. Lake service providers participating in the Gull Lake targeted pilot study place of business must be located within Cass or Crow Wing County.

(b) If an additional targeted pilot project for Gull Lake is implemented under this section, the report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over natural resources required under Laws 2016, chapter 189, article 3, section 48, shall also include the Gull Lake targeted pilot study recommendations and assessments.

(c) This subdivision expires December 1, 2019.

Sec. 21. Minnesota Statutes 2016, section 84D.11, is amended by adding a subdivision to read:

Subd. 1a. **Permit for invasive carp.** The commissioner may issue a permit to departmental divisions for tagging bighead, black, grass, or silver carp for research or control. Under the permit, the carp may be released into the water body from which the carp was captured. This subdivision expires December 31, 2021.

Sec. 22. Minnesota Statutes 2016, section 85.0505, is amended by adding a subdivision to read:

Subd. 3. **Fort Ridgely State Park.** Liquor may be sold and consumed by the drink on the golf course in Fort Ridgely State Park, subject to other laws relating to the sale of intoxicating liquor when the golf course is operated by a nonstate entity.

Sec. 23. **[85.0507] FORT RIDGELY GOLF COURSE; GOLF CARTS.**

Golf carts may be operated on the golf course portion of Fort Ridgely State Park when the golf course is operated by a nonstate entity.

Sec. 24. Minnesota Statutes 2016, section 85.053, subdivision 8, is amended to read:

Subd. 8. **Free permit; military personnel; exemption.** (a) ~~A one-day permit, Annual permits under subdivision 4, shall~~ 1 must be issued without a fee ~~for a motor vehicle being used by a person~~

~~who is serving in to active military service personnel in any branch or unit of the United States armed forces and who is stationed outside Minnesota, during the period of active service and for 90 days immediately thereafter, if the~~ or their dependents and to recipients of a Purple Heart medal. To qualify for a free permit under this subdivision, a person presents the person's current military orders must present qualifying military identification or an annual pass for the United States military issued through the National Parks and Federal Recreational Lands Pass program to the park attendant on duty or other designee of the commissioner.

~~(b) For purposes of this section, "active service" has the meaning given under section 190.05, subdivision 5e, when performed outside Minnesota~~ subdivision, the commissioner shall establish what constitutes qualifying military identification in the State Register.

~~(c) A permit is not required for a motor vehicle being used by military personnel or their dependents who have in their possession the annual pass for United States military and their dependents issued by the federal government for access to federal recreation sites~~ For vehicles permitted under paragraph (a), the permit or decal issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.

(d) The commissioner may issue a daily vehicle permit free of charge to an individual who qualifies under paragraph (a) and does not own or operate a motor vehicle.

Sec. 25. Minnesota Statutes 2016, section 85.053, subdivision 10, is amended to read:

Subd. 10. Free entrance permit; disabled veterans. (a) The commissioner shall issue an annual park permit for no charge to any veteran with a total and permanent service-connected disability, and a daily park permit to any resident veteran with any level of service-connected disability, as determined by the United States Department of Veterans Affairs, who presents each year a copy of the veteran's determination letter or other official form of validation issued by the United States Department of Veterans Affairs or the United States Department of Defense to a park attendant or commissioner's designee. For the purposes of this section subdivision, "veteran" has the meaning given in section 197.447.

(b) For vehicles permitted under paragraph (a), the permit or decal issued under this subdivision is valid only when displayed on a vehicle owned and occupied by the person to whom the permit is issued.

(c) The commissioner may issue a daily vehicle permit free of charge to an individual who qualifies under paragraph (a) and does not own or operate a motor vehicle.

Sec. 26. Minnesota Statutes 2016, section 85.054, is amended by adding a subdivision to read:

Subd. 19. Fort Ridgely golf course. A state park permit is not required and a fee may not be charged for motor vehicle entry or parking for persons using only the golf course portion of Fort Ridgely State Park when the golf course is operated by a nonstate entity.

Sec. 27. Minnesota Statutes 2016, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. Receipts, appropriation. All receipts derived from the rental or sale of state park items, tours at Forestville Mystery Cave State Park, interpretation programs, educational programs,

and operation of Douglas Lodge shall be deposited in the state treasury and be credited to the state parks working capital account. Receipts and expenses from Douglas Lodge shall be tracked separately within the account. Money in the account is annually appropriated for the purchase and payment of expenses attributable to items for resale or rental and operation of Douglas Lodge. Any excess receipts in this account are annually appropriated for state park management and interpretive programs.

Sec. 28. Minnesota Statutes 2016, section 85.32, subdivision 1, is amended to read:

Subdivision 1. ~~Areas marked~~ **Designation.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to ~~mark~~ manage state water trails on the Lake Superior water trail under section 85.0155 and on the following rivers, which have historic, recreational, and scenic values: Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, Cedar, Shell Rock, ~~and Vermilion in St. Louis County, North Fork of the Crow, and South Fork of the Crow Rivers, which have historic and scenic values, and to mark appropriately.~~ The commissioner may map and sign points of interest, public water access sites, portages, camp sites, and ~~all~~ dams, rapids, waterfalls, ~~whirlpools~~, and other serious hazards that are dangerous to canoe, kayak, and watercraft travelers. The commissioner may maintain passageway for watercraft on state water trails.

Sec. 29. **[85.47] SPECIAL USE PERMITS; FEES.**

Fees collected for special use permits to use state trails not on state forest, state park, or state recreation area lands and for use of state water access sites must be deposited in the natural resources fund.

Sec. 30. Minnesota Statutes 2016, section 86B.301, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** A watercraft license is not required for:

(1) a watercraft that is covered by a license or number in full force and effect under federal law or a federally approved licensing or numbering system of another state, or a watercraft that is owned by a person from another state and that state does not require licensing that type of watercraft, and the watercraft has not been within this state for more than 90 consecutive days, which does not include days that a watercraft is laid up at dock over winter or for repairs at a Lake Superior port or another port in the state;

(2) a watercraft from a country other than the United States that has not been within this state for more than 90 consecutive days, which does not include days that a watercraft is laid up at dock over winter or for repairs at a Lake Superior port or another port in the state;

(3) a watercraft owned by the United States, an Indian tribal government, a state, or a political subdivision of a state, except watercraft used for recreational purposes;

(4) a ship's lifeboat;

(5) a watercraft that has been issued a valid marine document by the United States government;

(6) a waterfowl boat during waterfowl-hunting season;

(7) a rice boat during the harvest season;

(8) a seaplane;

(9) a nonmotorized watercraft ten feet in length or less; and

(10) a watercraft that is covered by a valid license or number issued by a federally recognized Indian tribe in the state under a federally approved licensing or numbering system and that is owned by a member of that tribe.

Sec. 31. Minnesota Statutes 2016, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a ~~United States Coast Guard (USCG) approved~~ wearable personal flotation device ~~with a~~ that is approved by the United States Coast Guard (USCG) and has a USCG label indicating # the flotation device either is approved for or does not prohibit use with personal watercraft ~~or water skiing~~;

(2) between one hour before sunset and 9:30 a.m.;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 32. Minnesota Statutes 2016, section 86B.511, is amended to read:

86B.511 LIGHTS.

Subdivision 1. **Navigation lights.** Except as provided in section 169.541, a watercraft using the waters of this state, when underway or in use between sunset and sunrise, must carry and display the navigation lights prescribed by the commissioner for the watercraft.

Subd. 2. **Other lights.** (a) No person may operate a watercraft with lights that are not navigation lights required under subdivision 1, that are visible on the exterior of the watercraft, and that:

(1) interfere with the visibility of navigation lights; or

(2) are red, green, or blue.

(b) Notwithstanding paragraph (a), watercraft operated for government-sanctioned public safety activities may display an alternately flashing red and yellow light signal for identification. The lights must not interfere with the visibility of the navigation lights. No special privilege is granted. Operators must not presume that the light or exigency gives them precedence or right-of-way.

(c) Notwithstanding paragraph (a), law enforcement may operate watercraft with lights that are flashing blue when engaged in law enforcement activities. The lights must not interfere with the visibility of the navigation lights.

(d) A first violation of this subdivision shall not result in a penalty, but is punishable only by a safety warning. A second or subsequent violation is a petty misdemeanor.

Sec. 33. Minnesota Statutes 2016, section 86B.701, subdivision 3, is amended to read:

Subd. 3. **Allocation of funding.** (a) Notwithstanding section 16A.41, expenditures directly related to each appropriation's purpose made on or after January 1 of the fiscal year in which the

grant is made or the date of work plan approval, whichever is later, are eligible for reimbursement unless otherwise provided.

(b) The amount of funds to be allocated under subdivisions 1 and 2 and shall be determined by the commissioner on the basis of the following criteria:

- (1) the number of watercraft using the waters wholly or partially within the county;
- (2) the number of watercraft using particular bodies of water, wholly or partially within the county, in relation to the size of the body of water and the type, speed, and size of the watercraft utilizing the water body;
- (3) the amount of water acreage wholly or partially within the county;
- (4) the overall performance of the county in the area of boat and water safety;
- (5) special considerations, such as volume of transient or nonresident watercraft use, number of rental watercraft, extremely large bodies of water wholly or partially in the county; or
- (6) any other factor as determined by the commissioner.

~~(b)~~ (c) The commissioner may require reports from the counties, make appropriate surveys or studies, or utilize local surveys or studies to determine the criteria required in allocation funds.

Sec. 34. Minnesota Statutes 2016, section 88.523, is amended to read:

88.523 AUXILIARY FOREST CONTRACTS; SUPPLEMENTAL AGREEMENTS.

Upon application of the owner, any auxiliary forest contract may be made subject to any provisions of law enacted subsequent to the execution of the contract and in force at the time of application, so far as not already applicable, with the approval of the county board and the commissioner of natural resources. A supplemental agreement in a ~~form~~ format prescribed by the commissioner ~~and approved by the attorney general~~ must be executed by the commissioner in behalf of the state and by the owner. The supplemental agreement must be filed and recorded in like manner as the supplemental contract under section 88.49, subdivision 9, and takes effect upon filing and recording.

Sec. 35. Minnesota Statutes 2016, section 89.39, is amended to read:

89.39 PURCHASE AGREEMENTS AND PENALTIES.

Every individual, partnership, or private corporation to whom any planting stock is supplied for planting on private land ~~hereunder shall~~ under sections 89.35 to 89.39 must execute an agreement, ~~upon a form in a format approved by the attorney general~~ commissioner, to comply with ~~all~~ the requirements of sections 89.35 to 89.39 and ~~all~~ conditions prescribed by the commissioner ~~hereunder thereunder~~. Any party to such an agreement who ~~shall violate any provision thereof shall~~ violates the agreement is, in addition to any other penalties that may be applicable, ~~be~~ is liable to the state in a sum equal to three times the reasonable value of the trees affected by the violation at the time the ~~same~~ same trees were shipped for planting; provided, that if ~~such the~~ such the trees are sold or offered for sale for any purpose not ~~herein~~ authorized, such under sections 89.35 to 89.39, the penalty shall be is equal

to three times the sale price. ~~Such~~ The penalties shall be ~~are~~ recoverable in a civil action brought in the name of the state by the attorney general.

Sec. 36. Minnesota Statutes 2016, section 90.01, is amended by adding a subdivision to read:

Subd. 1a. **Affiliate.** "Affiliate" means a person who:

(1) controls, is controlled by, or is under common control with any other person, including, without limitation, a partner, business entity with common ownership, or principal of any business entity or a subsidiary, parent company, or holding company of any person; or

(2) bids as a representative for another person.

Sec. 37. Minnesota Statutes 2016, section 90.01, subdivision 8, is amended to read:

Subd. 8. **Permit holder.** "Permit holder" means the person or affiliate of the person who is the signatory of a permit to cut timber on state lands.

Sec. 38. Minnesota Statutes 2016, section 90.01, subdivision 12, is amended to read:

Subd. 12. **Responsible bidder.** "Responsible bidder" means a person or affiliate of a person who is financially responsible; demonstrates the judgment, skill, ability, capacity, and integrity requisite and necessary to perform according to the terms of a permit issued under this chapter; and is not currently debarred by ~~another~~ a government entity for any cause.

Sec. 39. Minnesota Statutes 2016, section 90.041, subdivision 2, is amended to read:

Subd. 2. **Trespass on state lands.** The commissioner may compromise and settle, ~~with notification to the attorney general,~~ upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. Upon request, the commissioner shall advise the Executive Council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 40. Minnesota Statutes 2016, section 90.051, is amended to read:

90.051 SUPERVISION OF SALES; BOND.

The department employee delegated to supervise state timber appraisals and sales shall be bonded in a form to be prescribed by the ~~attorney general~~ commissioner and in the sum of not less than \$25,000, conditioned upon the faithful and honest performance of duties.

Sec. 41. Minnesota Statutes 2016, section 90.101, subdivision 2, is amended to read:

Subd. 2. **Sale list and notice.** At least 30 days before the date of sale, the commissioner shall compile a list containing a description of each tract of land upon which any timber to be offered is situated and a statement of the estimated quantity of timber and of the appraised price of each kind of timber thereon as shown by the report of the state appraiser. No description shall be added after

the list is posted and no timber shall be sold from land not described in the list. Copies of the list ~~shall~~ must be furnished to all interested applicants. ~~At least 30 days before the date of sale,~~ a copy of the list ~~shall~~ must be ~~posted on the Internet or conspicuously posted in the forest office or other public facility most accessible to potential bidders at least 30 days prior to the date of sale.~~ The commissioner shall cause a notice to be published once not less than one week before the date of sale in a legal newspaper in the county or counties where the land is situated. The notice shall state the time and place of the sale and the location at which further information regarding the sale may be obtained. The commissioner may give other published or posted notice as the commissioner deems proper to reach prospective bidders.

Sec. 42. Minnesota Statutes 2016, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

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

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

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

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

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of \$10,000 of the appraised value. If a required bid guarantee payment is not submitted with the signed permit, no

harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 43. Minnesota Statutes 2016, section 90.145, subdivision 2, is amended to read:

Subd. 2. **Purchaser registration.** To facilitate the sale of permits issued under section 90.151, the commissioner may establish a registration system to verify the qualifications of a person or affiliate as a responsible bidder to purchase a timber permit. Any system implemented by the commissioner shall be limited in scope to only that information that is required for the efficient administration of the purchaser qualification requirements of this chapter. The registration system established under this subdivision is not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 44. Minnesota Statutes 2016, section 90.151, subdivision 1, is amended to read:

Subdivision 1. **Issuance; expiration.** (a) Following receipt of the down payment for state timber required under section 90.14 or 90.191, the commissioner shall issue a numbered permit to the purchaser, in a form format approved by the ~~attorney general~~ commissioner, by the terms of which the purchaser ~~shall be~~ is authorized to enter upon the land; and to cut and remove the timber ~~therein~~ described in the permit as designated for cutting in the report of the state appraiser, according to the provisions of this chapter. The permit ~~shall~~ must be correctly dated and executed by the commissioner and signed by the purchaser. If a permit is not signed by the purchaser within 45 days from the date of purchase, the permit cancels and the down payment for timber required under section 90.14 forfeits to the state. The commissioner may grant an additional period for the purchaser to sign the permit, not to exceed ten business days, provided the purchaser pays a \$200 penalty fee.

(b) The permit ~~shall expire~~ expires no later than five years after the date of sale as the commissioner shall specify or as specified under section 90.191, and the timber ~~shall~~ must be cut and removed within the time specified ~~therein~~. If additional time is needed, the permit holder must request, ~~prior to~~ before the expiration date, and may be granted, for good and sufficient reasons, up to 90 additional days for the completion of skidding, hauling, and removing all equipment and buildings. All cut timber, equipment, and buildings not removed from the land after expiration of the permit becomes the property of the state.

(c) The commissioner may grant ~~an additional period of~~ time not to exceed 240 days for ~~the removal of~~ removing cut timber, equipment, and buildings upon receipt of a written request by the permit holder for good and sufficient reasons. The permit holder may combine in the written request under this paragraph the request for additional time under paragraph (b).

Sec. 45. Minnesota Statutes 2016, section 90.162, is amended to read:

90.162 SECURING TIMBER PERMITS WITH CUTTING BLOCKS.

In lieu of the security deposit equal to the value of all timber covered by the permit required by section 90.161, a purchaser of state timber may elect in ~~writing on a form format~~ writing on a form format prescribed by the ~~attorney general~~ commissioner to give good and valid surety to the state of Minnesota equal to the purchase price for any designated cutting block identified on the permit before the date the purchaser enters upon the land to begin harvesting the timber on the designated cutting block.

Sec. 46. Minnesota Statutes 2016, section 90.252, is amended to read:

90.252 SCALING AGREEMENT; WEIGHT MEASUREMENT SERVICES; FEES.

Subdivision 1. **Scaling agreement.** The commissioner may enter into an agreement with either a timber sale permittee, or the purchaser of the cut products, or both, so that the scaling of the cut timber and the collection of the payment for the same can be consummated by the state. ~~Such an~~ The agreement shall must be approved as to form and content by the ~~attorney general~~ commissioner and ~~shall must~~ provide for a bond or cash in lieu of a bond and ~~such~~ other safeguards as are necessary to protect the interests of the state. The scaling and payment collection procedure may be used for any state timber sale, except that no permittee who is also the consumer shall both cut and scale the timber sold unless ~~such~~ the scaling is supervised by a state scaler.

Subd. 2. **Weight measurement services; fees.** The commissioner may enter into an agreement with the owner or operator of any weight scale inspected, tested, and approved under chapter 239 to provide weight measurements for ~~the~~ scaling of state timber according to section 90.251. The agreement ~~shall must~~ be on a form in a format prescribed by the ~~attorney general~~ commissioner, ~~shall become a~~ becomes part of the official record of any state timber permit so scaled, and ~~shall must~~ contain safeguards that are necessary to protect the interests of the state. Except as otherwise provided by the commissioner, the cost of any agreement to provide weight measurement of state timber ~~shall must~~ be paid by the permit holder of any state timber permit so measured and the cost ~~shall must~~ be included in the statement of the amount due for the permit under section 90.181, subdivision 1.

Sec. 47. Minnesota Statutes 2016, section 93.47, subdivision 4, is amended to read:

Subd. 4. **Administration and enforcement.** The commissioner shall administer and enforce sections 93.44 to 93.51 and the rules adopted pursuant hereto. In so doing the commissioner may (1) conduct such investigations and inspections as the commissioner deems necessary for the proper administration of sections 93.44 to 93.51; (2) enter upon any parts of the mining areas in connection with any such investigation and inspection without liability to the operator or landowner provided that reasonable prior notice of intention to do so shall have been given the operator or landowner; (3) conduct such research or enter into contracts related to mining areas and the reclamation thereof as may be necessary to carry out the provisions of sections 93.46 to 93.50; and (4) allocate surplus wetland credits that are approved by the commissioner under a permit to mine on or after July 1, 1991, and that are not otherwise deposited in a state wetland bank.

EFFECTIVE DATE. This section is effective retroactively from July 1, 1991.

Sec. 48. Minnesota Statutes 2016, section 94.343, subdivision 9, is amended to read:

Subd. 9. **Approval by ~~attorney general~~ commissioner.** No exchange of class A land shall be consummated unless the ~~attorney general shall have given an opinion in writing~~ commissioner determines that the title to the land proposed to be conveyed to the state is good and ~~marketable~~, free from all liens ~~and, with all~~ encumbrances identified except reservations herein authorized. The commissioner may use title insurance to aid in the title determination. If required by the ~~attorney general~~ commissioner, the landowner ~~shall must~~ submit an abstract of title and make and file with the commissioner an affidavit as to possession of the land, improvements, liens, and encumbrances thereon, and other matters affecting the title.

Sec. 49. Minnesota Statutes 2016, section 94.344, subdivision 9, is amended to read:

Subd. 9. **Approval of county attorney.** No exchange of class B land shall be consummated unless the title to the land proposed to be exchanged therefor ~~shall~~ is first ~~be~~ approved by the county attorney in like manner as provided for approval by the ~~attorney general~~ commissioner in case of class A land. The county attorney's opinion on the title ~~shall be~~ is subject to approval by the ~~attorney general~~ commissioner.

Sec. 50. Minnesota Statutes 2016, section 97A.015, is amended by adding a subdivision to read:

Subd. 35a. **Portable shelter.** "Portable shelter" means a fish house, dark house, or other shelter that is set on the ice of state waters to provide shelter and that collapses, folds, or is disassembled for transportation.

Sec. 51. Minnesota Statutes 2016, section 97A.015, subdivision 39, is amended to read:

Subd. 39. **Protected wild animals.** ~~"Protected wild animals" are the following wild animals:~~ means big game, small game, game fish, rough fish, minnows, leeches, alewives, ciscoes, chubs, and lake whitefish; and the subfamily Coregoninae, rainbow smelt, frogs, turtles, clams, mussels, wolf, mourning doves, bats, snakes, salamanders, lizards, any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134, and wild animals that are protected by a restriction in the time or manner of taking, other than a restriction in the use of artificial lights, poison, or motor vehicles.

Sec. 52. Minnesota Statutes 2016, section 97A.015, subdivision 43, is amended to read:

Subd. 43. **Rough fish.** "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, cisco, gar, goldeye, and bullhead, except for any fish species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 53. Minnesota Statutes 2016, section 97A.015, subdivision 45, is amended to read:

Subd. 45. **Small game.** "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, ~~short-tailed weasel, long-tailed weasel,~~ wolf, red fox and gray fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 54. Minnesota Statutes 2016, section 97A.015, subdivision 52, is amended to read:

Subd. 52. **Unprotected birds.** "Unprotected birds" means English sparrow, ~~blackbird,~~ starling, ~~maggie,~~ cormorant, common pigeon, Eurasian collared dove, chukar partridge, quail other than bobwhite quail, and mute swan.

Sec. 55. Minnesota Statutes 2016, section 97A.015, subdivision 53, is amended to read:

Subd. 53. **Unprotected wild animals.** "Unprotected wild animals" means wild animals that are not protected wild animals including ~~weasel,~~ coyote, plains pocket gopher, porcupine, striped skunk, and unprotected birds, except any animal species listed as endangered, threatened, or of special concern in Minnesota Rules, chapter 6134.

Sec. 56. Minnesota Statutes 2016, section 97A.045, subdivision 10, is amended to read:

Subd. 10. **Reciprocal agreements on violations.** The commissioner, ~~with the approval of the attorney general,~~ may enter into reciprocal agreements with game and fish authorities in other states and the United States government to provide for:

(1) revocation of the appropriate Minnesota game and fish licenses of Minnesota residents for violations of game and fish laws committed in signatory jurisdictions ~~which~~ that result in license revocation in that jurisdiction;

(2) reporting convictions and license revocations of residents of signatory states for violations of game and fish laws of Minnesota to game and fish authorities in the nonresident's state of residence; and

(3) release upon signature without posting of bail for residents of signatory states accused of game and fish law violations in this state, providing for recovery, in the resident jurisdiction, of fines levied if the citation is not answered in this state.

As used in this subdivision, "conviction" includes a plea of guilty or a forfeiture of bail.

Sec. 57. Minnesota Statutes 2016, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. **Deer, bear, and lifetime licenses.** (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (5), (6), (7), (13), (14), and (15); 3, paragraph (a), clauses (2), (3), (4), (10), (11), and (12); and 8, paragraph (b), and licenses issued under section 97B.301, subdivision 4.

(b) \$2 from each annual deer license and \$2 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the deer management account and is appropriated to the commissioner for deer habitat improvement or deer management programs.

(c) \$1 from each annual deer license and each bear license and \$1 annually from the lifetime fish and wildlife trust fund, established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the deer and bear management account and is appropriated to the commissioner for deer and bear management programs, including a computerized licensing system.

(d) Fifty cents from each deer license is credited to the emergency deer feeding and wild cervidae health management account and is appropriated for emergency deer feeding and wild cervidae health management. Money appropriated for emergency deer feeding and wild cervidae health management is available until expended.

When the unencumbered balance in the appropriation for emergency deer feeding and wild cervidae health management exceeds \$2,500,000 at the end of a fiscal year, the unencumbered balance in excess of \$2,500,000 is canceled and available for deer and bear management programs and computerized licensing.

~~(e) Fifty cents from each annual deer license and 50 cents annually from the lifetime fish and wildlife trust fund established in section 97A.4742, for each license issued under section 97A.473, subdivision 4, shall be credited to the wolf management and monitoring account under subdivision 7.~~

EFFECTIVE DATE. This section is effective July 1 of the year following the year the wolf is delisted under the federal Endangered Species Act.

Sec. 58. Minnesota Statutes 2016, section 97B.031, subdivision 6, is amended to read:

Subd. 6. ~~Scopes; age 60 or over.~~ A person ~~age 60 or over~~ may use a muzzleloader with a scope to take deer during the muzzleloader season. The scope may have magnification capabilities.

Sec. 59. **[97B.032] RULES LIMITING USE OF LEAD SHOT PROHIBITED.**

The commissioner of natural resources shall not adopt rules further restricting the use of lead shot.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to rules adopted on or after that date.

Sec. 60. Minnesota Statutes 2016, section 97B.071, is amended to read:

97B.071 ~~BLAZE ORANGE~~ CLOTHING REQUIREMENTS; BLAZE ORANGE OR BLAZE PINK.

(a) Except as provided in rules adopted under paragraph (c), a person may not hunt or trap during the open season where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange or blaze pink. Blaze orange or blaze pink includes a camouflage pattern of at least 50 percent blaze orange or blaze pink within each foot square. This section does not apply to migratory-waterfowl hunters on waters of this state or in a stationary shooting location or to trappers on waters of this state.

(b) Except as provided in rules adopted under paragraph (c), and in addition to the requirement in paragraph (a), a person may not take small game other than turkey, migratory birds, raccoons, and predators, except while trapping, unless a visible portion of at least one article of the person's clothing above the waist is blaze orange or blaze pink. This paragraph does not apply to a person when in a stationary location while hunting deer by archery or when hunting small game by falconry.

(c) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) or (b) would violate the Religious Freedom Restoration Act of 1993, Public Law 103-141.

(d) A violation of paragraph (b) shall not result in a penalty, but is punishable only by a safety warning.

Sec. 61. Minnesota Statutes 2016, section 97B.405, is amended to read:

97B.405 COMMISSIONER MAY LIMIT NUMBER OF BEAR HUNTERS.

(a) The commissioner may limit the number of persons that may hunt bear in an area, if it is necessary to prevent an overharvest or improve the distribution of hunters. The commissioner may establish, by rule, a method, including a drawing, to impartially select the hunters for an area. The commissioner shall give preference to hunters that have previously applied and have not been selected.

(b) If the commissioner limits the number of persons that may hunt bear in an area under paragraph (a), the commissioner must reserve one permit and give first preference for that permit to a resident of a Minnesota veterans home.

~~(b)~~ (c) A person selected through a drawing must purchase a license by August 1. Any remaining available licenses not purchased shall be issued to any eligible person as prescribed by the commissioner on a first-come, first-served basis beginning three business days after August 1.

Sec. 62. Minnesota Statutes 2016, section 97B.431, is amended to read:

97B.431 BEAR-HUNTING OUTFITTERS.

(a) A person may not place bait for bear, or guide hunters to take bear, for compensation without a bear-hunting-outfitter license. A bear-hunting outfitter is not required to have a license to take bear unless the outfitter is attempting to shoot a bear. The commissioner shall adopt rules for qualifications for issuance and administration of the licenses.

(b) The commissioner shall establish a resident master bear-hunting-outfitter license under which one person serves as the bear-hunting outfitter and one other person is eligible to guide and bait bear. Additional persons may be added to the license and are eligible to guide and bait bear under the license, provided the additional fee under section 97A.475, subdivision 16, is paid for each person added. The commissioner shall adopt rules for qualifications for issuance and administration of the licenses. The commissioner must not require a person to have certification or training in first aid or CPR to be eligible for a license under this section.

Sec. 63. Minnesota Statutes 2016, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. **Owners and occupants may take certain animals.** A person or the person's agent may take bats, snakes, salamanders, lizards, weasel, mink, squirrel, rabbit, hare, raccoon, bobcat, fox, opossum, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person or the person's agent may take the animal without a license and in any manner except by ~~poison, or~~ artificial lights in the closed season or by poison. Raccoons may be taken under this subdivision with artificial lights during open season. A person ~~that~~ or the person's agent who kills mink, raccoon, bobcat, fox, opossum, muskrat, or beaver under this subdivision must notify a conservation officer or employee of the Fish and Wildlife Division within 24 hours after the animal is killed.

Sec. 64. Minnesota Statutes 2016, section 97C.315, subdivision 1, is amended to read:

Subdivision 1. **Lines.** An angler may not use more than one line except:

(1) two lines may be used to take fish through the ice; ~~and~~

(2) the commissioner may, by rule, authorize the use of two lines in areas designated by the commissioner in Lake Superior; and

(3) two lines may be used to take fish during the open-water season, except on waters during a catch and release season for any species, by a resident or nonresident angler who purchases a second-line endorsement for \$5. Of the amount collected from purchases of second-line endorsements, 50 percent must be spent on walleye stocking.

EFFECTIVE DATE. This section is effective March 1, 2018.

Sec. 65. Minnesota Statutes 2016, section 97C.355, subdivision 2a, is amended to read:

Subd. 2a. **Portable shelters.** (a) A person using a portable shelter that is not identified under subdivision 1 may not leave the portable shelter unattended between midnight and sunrise and must remain within 200 feet of the shelter while the shelter is on the ice of state waters.

(b) If a person leaves the portable shelter unattended any time between midnight and one hour before sunrise or is not within 200 feet of the portable shelter, the portable shelter must be licensed as provided under subdivision 2.

Sec. 66. Minnesota Statutes 2016, section 97C.401, subdivision 2, is amended to read:

Subd. 2. **Walleye; northern pike.** ~~(a) Except as provided in paragraph (b), A person may have no more than one walleye larger than 20 inches and one northern pike larger than 30 inches in possession. This subdivision does not apply to boundary waters.~~

~~(b) The restrictions in paragraph (a) do not apply to boundary waters.~~

Sec. 67. Minnesota Statutes 2016, section 97C.501, subdivision 1, is amended to read:

Subdivision 1. **Minnow retailers.** (a) A person may not be a minnow retailer without a minnow retailer license except as provided in subdivisions 2, paragraph (d), and 3. A person must purchase a minnow retailer license for each minnow retail outlet operated, except as provided by subdivision 2, paragraph (d).

(b) A minnow retailer must obtain a minnow retailer's vehicle license for each motor vehicle used by the minnow retailer to transport more than 12 dozen minnows to the minnow retailer's place of business, ~~except as provided in subdivision 3.~~ A minnow retailer is not required to obtain a minnow retailer's vehicle license:

(1) as provided in subdivision 3;

(2) if the minnow retailer is licensed as a resort under section 157.16, is transporting minnows purchased from a minnow dealer's place of business directly to the resort, possesses a detailed receipt, including the date and time of purchase, and presents the receipt and minnows for inspection upon request; or

(3) if minnows are being transported by common carrier and information is provided that allows the commissioner to find out the location of the shipment in the state.

Sec. 68. Minnesota Statutes 2016, section 97C.515, subdivision 2, is amended to read:

Subd. 2. **Permit for transportation; importation.** (a) A person may transport live minnows through the state with a permit from the commissioner. The permit must state the name and address of the person, the number and species of minnows, the point of entry into the state, the destination, and the route through the state. The permit is not valid for more than 12 hours after it is issued. A person must not import minnows into the state except as provided in this section.

(b) Minnows transported under this subdivision must be in a tagged container. The tag number must correspond with tag numbers listed on the minnow transportation permit.

(c) The commissioner may require the person transporting minnow species found on the official list of viral hemorrhagic septicemia susceptible species published by the United States Department of Agriculture, Animal and Plant Health Inspection Services, to provide health certification for viral hemorrhagic septicemia. The certification must disclose any incidentally isolated replicating viruses, and must be dated within the 12 months preceding transport.

(d) Golden shiner minnows may be imported as provided in this subdivision. Golden shiner minnows that are imported must be certified as healthy according to Arkansas standards in accordance with the Arkansas baitfish certification program.

(e) Golden shiner minnows must be certified free of viral hemorrhagic septicemia, infectious hematopoietic necrosis, infectious pancreatic necrosis, spring viremia of carp virus, fathead minnow nidovirus, heterosporis, aeromonas salmonicida, and yersinia ruckeri.

(f) Golden shiner minnows must originate from a biosecure facility that has tested negative for invasive species.

(g) Only a person that holds a Minnesota wholesale minnow dealer's license issued under section 97C.501, subdivision 2, may obtain a permit to import golden shiner minnows.

Sec. 69. Minnesota Statutes 2016, section 97C.701, is amended by adding a subdivision to read:

Subd. 7. **Harvesting mussel shells.** Live mussels may not be harvested. A person possessing a valid resident or nonresident angling license or a person not required to have an angling license to take fish may take and possess at any time, for personal use only, not more than 24 whole shells or 48 shell halves of dead freshwater mussels. Mussel shells may be harvested in waters of the state where fish may be taken by angling. Mussel shells must be harvested by hand-picking only and may not be purchased or sold.

Sec. 70. **[103A.213] PROGRESS FOR IMPROVING WATER QUALITY.**

Subdivision 1. **Water quality; improvement goal.** It is the goal of the state to accelerate the pace of progress for improving water-quality protection and restoration to reach a goal of 25 percent improvement in water quality by 2025. Progress must be reviewed by and based on measures reported by the cooperating agencies listed under subdivision 2 or as described in local water management plans approved and adopted under chapter 103B.

Subd. 2. **Cooperating agencies and input process.** The Departments of Agriculture, Health, and Natural Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the Metropolitan Council, the Public Facilities Authority, and the Environmental Quality Board must jointly conduct a broad public and stakeholder engagement process across the state seeking input on how to achieve the goal under subdivision 1. The process must consider, but is not limited to, water safety and quality parameters such as chloride, infectious agents, phosphorus, sediment, nitrates, lead, and other factors that can contribute to biological and human health risks. The Clean Water Council and local government representatives must be consulted before the public and stakeholder input process begins. The initial public and stakeholder input process must be completed by November 15, 2017.

Subd. 3. **Scope of public and stakeholder input.** The public and stakeholder input process must include, but is not limited to, obtaining input on:

(1) what additional data or analyses are needed and how the data or analyses can be used to accomplish and measure progress toward the goal;

(2) mechanisms to provide assurance, accountability, and cost-benefit measures for accomplishing progress toward the goal;

(3) what changes to the Clean Water Legacy Act or other state statutes or agency programs would be helpful to accelerate and sustain progress toward the goal;

(4) what local government programs or authorities could be added or modified to accelerate and sustain progress toward the goal;

(5) options to prioritize, sequence, and locate multiple-benefit practices, projects, and infrastructure needed to accelerate and sustain progress toward the goal;

(6) options to leverage nonstate funding for practices, projects, and infrastructure needed to accelerate and sustain progress toward the goal;

(7) how technology and private sector roles or investments could be used to accelerate and sustain progress toward the goal;

(8) how to accomplish personal, community, ecological, and economic health objectives and goals as part of accelerating and sustaining progress toward the water quality improvement goal; and

(9) information deemed relevant and useful according to the objectives outlined in sections 103A.212, 103H.001, and 114D.10 and other related information deemed relevant and useful by the Departments of Agriculture, Health, and Natural Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the Metropolitan Council, the Public Facilities Authority, and the Environmental Quality Board.

Subd. 4. **Report and recommendations.** By December 15, 2017, the cooperating agencies must jointly submit a report to the governor and the Legislative Water Commission on the results of the public input process. The report must include any policy and budget recommendations based on the input received.

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

Sec. 71. Minnesota Statutes 2016, section 103B.101, subdivision 12a, is amended to read:

Subd. 12a. **Authority to issue penalty orders.** (a) ~~A county or watershed district with jurisdiction~~ ~~or~~ The Board of Water and Soil Resources may issue an order requiring violations of the water resources riparian protection requirements under sections 103F.415, 103F.421, and 103F.48 to be corrected and administratively assessing monetary penalties up to \$500 for noncompliance commencing on day one of the 11th month after the noncompliance notice was issued. The proceeds collected from an administrative penalty order issued under this section must be remitted to ~~the county or watershed district with jurisdiction over the noncompliant site, or otherwise remitted to~~ the Board of Water and Soil Resources.

(b) Before exercising this authority, the Board of Water and Soil Resources must adopt a plan containing procedures for the issuance of administrative penalty orders ~~by local governments and the board as authorized in this subdivision.~~ This plan, and any subsequent amendments, will become effective 30 days after being published in the State Register. The initial plan must be published in the State Register no later than July 1, 2017.

(c) Administrative penalties may be reissued and appealed under paragraph (a) according to section 103F.48, subdivision 9.

Sec. 72. Minnesota Statutes 2016, section 103F.411, subdivision 1, is amended to read:

Subdivision 1. **Authority.** The Board of Water and Soil Resources, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and rules that serve as a guide for local governments that have adopted a soil loss ordinance to implement sections 103F.401 to 103F.455 and provide administrative procedures for the board for sections 103F.401 to 103F.455.

Sec. 73. Minnesota Statutes 2016, section 103F.48, subdivision 1, is amended to read:

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

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

(c) "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds, adjacent to all bodies of water within the state and that protects the water resources of the state from runoff pollution; stabilizes soils, shores, and banks; and protects or provides riparian corridors.

(d) "Buffer protection map" means buffer maps established and maintained by the commissioner of natural resources.

(e) "Commissioner" means the commissioner of natural resources.

(f) "Executive director" means the executive director of the Board of Water and Soil Resources.

(g) "Local water management authority" means a watershed district, metropolitan water management organization, or county operating separately or jointly in its role as local water management authority under chapter 103B or 103D.

(h) "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.

(i) "Public waters" ~~has the meaning given in section 103G.005, subdivision 15. The term means public waters as used in this section applies to waters that are on the public waters inventory as provided in section 103G.201 that have water in them continually for 12 months each year.~~

(j) "With jurisdiction" means a board determination that the county or watershed district has adopted a rule, ordinance, or official controls providing procedures for ~~the issuance of administrative penalty orders, enforcement, and appeals for purposes of this section and section 103B.101, subdivision 12a enforcing this section.~~

Sec. 74. Minnesota Statutes 2016, section 103F.48, subdivision 3, is amended to read:

Subd. 3. **Water resources riparian protection requirements on public waters and public drainage systems.** (a) Except as provided in paragraph (b), landowners owning property adjacent to a water body identified and mapped on a buffer protection map must maintain a buffer to protect the state's water resources as follows:

(1) for all public waters that have a shoreland classification, the more restrictive of:

(i) a 50-foot average width, 30-foot minimum width, continuous buffer of perennially rooted vegetation; or

(ii) the state shoreland standards and criteria adopted by the commissioner under section 103F.211; and

(2) for public drainage systems established under chapter 103E and public waters that do not have a shoreland classification, a 16.5-foot minimum width continuous buffer as provided in section 103E.021, subdivision 1. The buffer vegetation shall not impede future maintenance of the ditch.

(b) A landowner owning property adjacent to a water body identified in a buffer protection map and whose property is used for cultivation farming may meet the requirements under paragraph (a) by adopting an alternative riparian water quality practice, or combination of structural, vegetative, and management practices, based on the Natural Resources Conservation Service Field Office Technical Guide or other practices approved by the local soil and water conservation district board, that provide water quality protection comparable to the buffer protection for the water body that the property abuts. Included in these practices are retention ponds and alternative measures that prevent overland flow to the water resource.

(c) The width of a buffer on public waters must be measured from the top or crown of the bank. Where there is no defined bank, measurement must be from the edge of the normal water level. The width of the buffer on public drainage systems must be measured as provided in section 103E.021, subdivision 1.

(d) Upon request by a landowner or authorized agent or operator of a landowner, a technical professional employee or contractor of the soil and water conservation district or its delegate may issue a validation of compliance with the requirements of this subdivision. The soil and water conservation district validation may be appealed to the board as described in subdivision 9.

(e) Buffers or alternative water quality practices required under paragraph (a) or (b) must be in place on or before:

(1) November 1, ~~2017~~ 2019, for public waters; and

(2) November 1, ~~2018~~ 2020, for public drainage systems.

(f) Nothing in this section limits the eligibility of a landowner or authorized agent or operator of a landowner to participate in federal or state conservation programs, including enrolling or reenrolling in federal conservation programs.

(g) After the effective date of this section, a person planting buffers or water quality protection practices to meet the requirements in paragraph (a) must use only seed mixes that were grown and processed in Minnesota. The board, a county, or a watershed district must not take corrective action under subdivision 7 against a landowner who does not have seed available to comply with this paragraph.

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

Sec. 75. Minnesota Statutes 2016, section 103F.48, subdivision 7, is amended to read:

Subd. 7. **Corrective actions.** (a) If the soil and water conservation district determines a landowner is not in compliance with this section, and the landowner has declined state or federal assistance to pay 100 percent of the cost to establish buffers or other water resource protection measures approved by the board and annual payments or an easement for the land, the district must notify the county or watershed district with jurisdiction over the noncompliant site and the board. The county or watershed district with jurisdiction or the board must provide the landowner with a list of corrective actions needed to come into compliance and a practical timeline to meet the requirements in this section. The county or watershed district with jurisdiction must provide a copy of the corrective action notice to the board.

(b) A county or watershed district exercising jurisdiction under this subdivision ~~and the enforcement authority granted in section 103B.101, subdivision 12a,~~ shall affirm their jurisdiction and identify the ordinance, rule, or other official controls to carry out the compliance provisions of this section ~~and section 103B.101, subdivision 12a,~~ by notice to the board ~~prior to March 31, 2017.~~ A county or watershed district must provide notice to the board at least 60 days prior to the effective date of a subsequent decision on their jurisdiction.

(c) If the landowner does not comply with the list of actions and timeline provided, the county or watershed district may enforce this section ~~under the authority granted in section 103B.101, subdivision 12a,~~ or by rule of the watershed district or ordinance or other official control of the county. ~~Before exercising administrative penalty authority, a county or watershed district must adopt a plan consistent with the plan adopted by the board containing procedures for the issuance of administrative penalty orders and may issue orders beginning November 1, 2017.~~ If a county or

watershed district with jurisdiction over the noncompliant site has not adopted a plan, rule, ordinance, or official control under this paragraph, the board must enforce this section under the authority granted in section 103B.101, subdivision 12a.

(d) If the county, watershed district, or board determines that sufficient steps have been taken to fully resolve noncompliance, all or part of the penalty may be forgiven.

(e) An order issued under paragraph (c) may be appealed to the board as provided under subdivision 9.

(f) A corrective action is not required for conditions resulting from a flood or other act of nature.

(g) A landowner agent or operator of a landowner may not remove or willfully degrade a riparian buffer or water quality practice, wholly or partially, unless the agent or operator has obtained a signed statement from the property owner stating that the permission for the work has been granted by the unit of government authorized to approve the work in this section or that a buffer or water quality practice is not required as validated by the soil and water conservation district. Removal or willful degradation of a riparian buffer or water quality practice, wholly or partially, by an agent or operator is a separate and independent offense and may be subject to the corrective actions and penalties in this subdivision.

(h) A county or watershed district or the board shall not enforce this section unless federal or state assistance is available to the landowner to pay 100 percent of the cost to establish buffers or other water resource protection measures approved by the board and annual payments or an easement for the land.

Sec. 76. Minnesota Statutes 2016, section 103G.005, is amended by adding a subdivision to read:

Subd. 8a. **Constructed management facilities for storm water.** "Constructed management facilities for storm water" means ponds, basins, holding tanks, cisterns, infiltration trenches and swales, or other best management practices that have been designed, constructed, and operated to store or treat storm water in accordance with local, state, or federal requirements.

Sec. 77. Minnesota Statutes 2016, section 103G.005, subdivision 10b, is amended to read:

Subd. 10b. **Greater than 80 percent area.** "Greater than 80 percent area" means a county or watershed, or, for purposes of wetland replacement, bank service area where 80 percent or more of the presettlement wetland acreage is intact and:

- (1) ten percent or more of the current total land area is wetland; or
- (2) 50 percent or more of the current total land area is state or federal land.

Sec. 78. Minnesota Statutes 2016, section 103G.005, subdivision 10h, is amended to read:

Subd. 10h. **Less than 50 percent area.** "Less than 50 percent area" means a county or watershed, or, for purposes of wetland replacement, bank service area with less than 50 percent of the presettlement wetland acreage intact or any county or watershed, or bank service area not defined as a "greater than 80 percent area" or "50 to 80 percent area."

Sec. 79. Minnesota Statutes 2016, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Project-specific wetland replacement plans submitted as part of a project for which a permit to mine is required and approved by the commissioner on or after July 1, 1991, may include surplus wetland credits to be allocated by the commissioner to offset future mining-related wetland impacts under any permits to mine held by the permittee, the operator, the permittee's or operator's parent, an affiliated subsidiary, or an assignee pursuant to an assignment under section 93.481, subdivision 5. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins shall be considered a single watershed for purposes of determining wetland replacement ratios. Mining reclamation plans shall apply the same principles and standards for replacing wetlands that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, subdivision 2, paragraph (b) or (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill storm water management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the

documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

EFFECTIVE DATE. This section is effective retroactively from July 1, 1991.

Sec. 80. Minnesota Statutes 2016, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) ~~Impacted wetlands in a 50 to 80 percent area must not be replaced in a 50 to greater than 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area.~~ Wetland replacement occurring outside of a greater than 80 percent area must not be replaced in a 50 to greater than 80 percent area. All wetland replacement must follow this priority order:

- (1) ~~on site or~~ in the same minor watershed as the impacted wetland;
- (2) in the same watershed as the impacted wetland;
- (3) in the same ~~county or~~ wetland bank service area as the impacted wetland; and
- (4) in another wetland bank service area.

(b) Notwithstanding paragraph (a), wetland banking credits approved according to a complete wetland banking application submitted to a local government unit by April 1, 1996, may be used to replace wetland impacts resulting from public transportation projects statewide.

(c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement by wetland banking begins at paragraph (a), clause (3), according to rules adopted under section 103G.2242, subdivision 1.

(d) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

(e) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

- (1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;
- (2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;
- (3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

(f) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

(g) The board must establish wetland replacement ratios and wetland bank service area priorities to implement the siting and targeting of wetland replacement and encourage the use of high priority areas for wetland replacement.

Sec. 81. Minnesota Statutes 2016, section 103G.223, is amended to read:

103G.223 CALCAREOUS FENS.

(a) Calcareous fens, as identified by the commissioner by written order published in the State Register, may not be filled, drained, or otherwise degraded, wholly or partially, by any activity, unless the commissioner, under an approved management plan, decides some alteration is necessary. Identifications made by the commissioner are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

(b) Notwithstanding paragraph (a), the commissioner must allow temporary reductions in groundwater resources on a seasonal basis under an approved management plan for appropriating water.

Sec. 82. Minnesota Statutes 2016, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. Members of the Technical Evaluation Panel who have an ownership interest in a wetland bank shall disclose in writing all of the member's ownership interests in wetland banks to the local government unit. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, sequencing, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

(c) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 83. Minnesota Statutes 2016, section 103G.2372, subdivision 1, is amended to read:

Subdivision 1. **Authority; orders.** (a) The commissioner of natural resources, conservation officers, and peace officers shall enforce laws preserving and protecting groundwater quantity, wetlands, and public waters. The commissioner of natural resources, a conservation officer, or a peace officer may issue a cease and desist order to stop any illegal activity adversely affecting groundwater quantity, a wetland, or public waters.

(b) In the order, or by separate order, the commissioner, conservation officer, or peace officer may require restoration or replacement of the wetland or public waters, as determined by the local soil and water conservation district for wetlands and the commissioner of natural resources for public waters. Restoration or replacement orders may be recorded or filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located by the commissioner of natural resources, conservation officers, or peace officers as a deed restriction on the property that runs with the land and is binding on the owners, successors, and assigns until the conditions of the order are met or the order is rescinded. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under this section.

(c) If a court has ruled that there has been no violation of the restoration or replacement order, an order may not be recorded or filed under this section.

(d) If an order was recorded or filed before the effective date of this section and the deed restriction would have been in violation of paragraph (c), the commissioner must remove the deed restriction if the owner of the property requests the commissioner to remove it.

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

Sec. 84. Minnesota Statutes 2016, section 103G.271, subdivision 1, is amended to read:

Subdivision 1. **Permit required.** (a) Except as provided in paragraph (b), the state, a person, partnership, or association, private or public corporation, county, municipality, or other political subdivision of the state may not appropriate or use waters of the state without a water-use permit from the commissioner.

(b) This section does not apply to the following water uses:

(1) use for a water supply by less than 25 persons for domestic purposes, except as required by the commissioner under section 103G.287, subdivision 4, paragraph (b); and

(2) nonconsumptive diversion of a surface water of the state from its natural channel for the production of hydroelectric or hydromechanical power at structures that were in existence on and before July 1, 1937, or those that are regulated by the Federal Energy Regulatory Commission.

(c) The commissioner may issue a state general permit for appropriation of water to a governmental subdivision or to the general public. The general permit may authorize more than one project and the appropriation or use of more than one source of water. Water-use permit processing fees and reports required under subdivision 6 and section 103G.281, subdivision 3, are required for each project or water source that is included under a general permit, except that no fee is required for uses totaling less than 15,000,000 gallons annually.

(d) This section does not apply to appropriation or use of storm water collected and used to reduce storm water runoff volume, treat storm water, or sustain groundwater supplies when water is extracted from constructed management facilities for storm water.

Sec. 85. Minnesota Statutes 2016, section 103G.271, subdivision 6a, is amended to read:

Subd. 6a. **Fees for past unpermitted appropriations.** An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water-use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. The fees for unpermitted appropriations are required for the previous seven calendar years after being notified of the need for a permit. This fee is in addition to any other fee or penalty assessed. The commissioner may waive payment of fees for past unpermitted appropriations for a residential system permitted under subdivision 5, paragraph (b), or for a hydroelectric or hydromechanical facility that temporarily diverts a water of the state from its natural channel.

Sec. 86. Minnesota Statutes 2016, section 103G.271, subdivision 7, is amended to read:

Subd. 7. **Transfer of permit.** A water-use permit may be transferred to a successive owner of real property if the permittee conveys the real property where the source of water is located. The new owner must notify the commissioner immediately after the conveyance and request transfer of the permit. If notified, the commissioner must transfer the permit to the successive owner.

Sec. 87. Minnesota Statutes 2016, section 103G.271, is amended by adding a subdivision to read:

Subd. 8. **Management plans; economic impacts.** Before requiring a change to a management plan for appropriating water, the commissioner must provide estimates of the economic impact of any new restriction or policy on existing and future groundwater users in the affected area.

Sec. 88. Minnesota Statutes 2016, section 103G.287, subdivision 1, is amended to read:

Subdivision 1. **Applications for groundwater appropriations; preliminary well construction approval.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

(5) the results of any assessments conducted by the commissioner under paragraph (c).

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

(c) The commissioner shall provide an assessment of a proposed well needing a groundwater appropriation permit. The commissioner shall evaluate the information submitted as required under section 103I.205, subdivision 1, paragraph (f), and determine whether the anticipated appropriation request is likely to meet the applicable requirements of this chapter. If the appropriation request is likely to meet applicable requirements, the commissioner shall provide the person submitting the information with a letter providing preliminary approval to construct the well and the requirements, including test-well information, that will be needed to obtain the permit.

(d) The commissioner must provide an applicant denied a groundwater use permit or issued a groundwater use permit that is reduced or restricted from the original request with all information the commissioner used in making the determination, including hydrographs, flow tests, aquifer tests, topographic maps, field reports, photographs, and proof of equipment calibration.

Sec. 89. Minnesota Statutes 2016, section 103G.287, subdivision 4, is amended to read:

Subd. 4. **Groundwater management areas.** (a) The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to ensure sustainable use of groundwater that protects ecosystems, water quality, and the ability of future generations to meet their own needs. Water appropriations and uses within a designated management area must be consistent with a groundwater management area plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261. At least 30 days prior to implementing or modifying a groundwater management area plan under this subdivision, the commissioner shall consult with the advisory team established in paragraph (c).

(b) Notwithstanding section 103G.271, subdivision 1, paragraph (b), and Minnesota Rules, within designated groundwater management areas, the commissioner may require general permits as specified in section 103G.271, subdivision 1, paragraph (c), for water users using less than 10,000 gallons per day or 1,000,000 gallons per year and water suppliers serving less than 25 persons for domestic purposes. The commissioner may waive the requirements under section 103G.281 for general permits issued under this paragraph, and the fee specified in section 103G.301, subdivision 2, paragraph (c), does not apply to general permits issued under this paragraph.

(c) When designating a groundwater management area, the commissioner shall assemble an advisory team to assist in developing a groundwater management area plan for the area. The advisory team members shall be selected from public and private entities that have an interest in the water resources affected by the groundwater management area. A majority of the advisory team members shall be public and private entities that currently hold water-use permits for water appropriations from the affected water resources. The commissioner shall consult with the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Association of Watershed Districts, and the Minnesota Association of Townships in appointing the local government representatives to the advisory team. The advisory team may also include representatives from the University of Minnesota, the Minnesota State Colleges and Universities, other institutions of higher learning in Minnesota, political subdivisions with jurisdiction over water issues, nonprofits with expertise in water, and federal agencies.

(d) Before making a change under a groundwater management area plan, the commissioner must provide estimates of the economic effect of any new restriction or policy on existing and future groundwater users in the affected area.

Sec. 90. Minnesota Statutes 2016, section 103G.289, is amended to read:

103G.289 WELL INTERFERENCE; WELL SEALING.

(a) The commissioner shall not validate a well interference claim if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

(b) An agreement, written offer, or settlement between a complainant and permittee or permit applicant must take into account depreciation of 2.5 percent per year, for the first 30 years of the life of the complainant's well, when calculating the costs a permittee or permit applicant is responsible for as a result of a well interference claim.

Sec. 91. Minnesota Statutes 2016, section 103G.411, is amended to read:

103G.411 STIPULATION OF LOW-WATER MARK.

If the state is a party in a civil action relating to the navigability or ownership of the bed of a body of water, river, or stream, the commissioner, in behalf of the state, ~~with the approval of the attorney general,~~ may agree by written stipulation with a riparian owner who is a party to the action on the location of the ordinary low-water mark on the riparian land of the party. After the stipulation is executed by all parties, it must be presented to the judge of the district court where the action is pending for approval. If the stipulation is approved, the judge shall make and enter an order providing that the final judgment when entered shall conform to the location of the ordinary, low-water mark as provided for in the stipulation as it relates to the parties to the stipulation.

Sec. 92. Minnesota Statutes 2016, section 114D.25, is amended by adding a subdivision to read:

Subd. 6. **Impaired waters list; public notice and process.** The commissioner of the Pollution Control Agency must allow at least 60 days for public comment after publishing the draft impaired waters list required under the federal Clean Water Act. A person may petition the agency to hold a contested case hearing on the draft impaired waters list. A valid basis for challenging an impairment

determination includes, but is not limited to, agency reliance on data that do not reflect recent significant infrastructure investments and documented pollutant reductions.

Sec. 93. [115.542] NOTICE REQUIREMENTS FOR PUBLICLY OWNED WASTEWATER TREATMENT FACILITIES.

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

(1) "permit" means a national pollutant discharge elimination system (NPDES) permit or state disposal system (SDS) permit; and

(2) "permit applicant" means a person or entity submitting an application for a new permit or renewal, modification, or revocation of an existing permit for a publicly owned wastewater treatment facility.

Subd. 2. **Applicability.** This section applies to all draft permits and permits for publicly owned wastewater treatment facilities for which the commissioner of the Pollution Control Agency makes a preliminary determination whether to issue or deny.

Subd. 3. **Notice requirements.** The commissioner of the Pollution Control Agency must provide a permit applicant with a copy of the draft permit and any fact sheets required by agency rules at least 30 days before the distribution and public notice of the permit application and preliminary determination.

Subd. 4. **Public comment period.** The commissioner must prepare and issue a public notice of a completed application and the commissioner's preliminary determination as to whether the permit should be issued or denied. The public comment period must be at least 60 days for permit applications under this section.

Sec. 94. Minnesota Statutes 2016, section 115B.39, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.39 to 115B.445, except as specifically modified in this subdivision.

(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the federal Superfund Act.

(c) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment and liners; applying final cover; grading and seeding final cover; installing wells, borings, and other monitoring devices; constructing groundwater and surface water diversion structures; and installing gas control systems and site security systems, as necessary. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Closure upgrade" means construction activity that will, at a minimum, modify an existing cover so that it satisfies current rule requirements for mixed municipal solid waste land disposal facilities.

(e) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(f) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(g) "Custodial" or "custodial care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility after completion of the postclosure period.

(h) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

~~(h)~~ (i) "Dump materials" means nonhazardous mixed municipal solid wastes disposed at a Minnesota waste disposal site other than a qualified facility prior to 1973.

~~(h)~~ (j) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

~~(h)~~ (k) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

~~(h)~~ (l) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

~~(h)~~ (m) "Qualified facility" means a mixed municipal solid waste disposal facility as described in the most recent agency permit, including adjacent property used for solid waste disposal that did not occur under a permit from the agency, that:

(1)(i) is or was permitted by the agency;

(ii) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(iii) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited; ~~or~~

(2) is or was permitted by the agency; and

(i) stopped accepting waste by January 1, 2000, except that demolition debris, industrial waste, and municipal solid waste combustor ash may be accepted until January 1, 2001, at a permitted area where disposal of such waste is allowed, if the area where the waste is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited; or

(ii) stopped accepting waste by January 1, 2019, and is located in a county that meets all applicable recycling goals in section 115A.551 and that has arranged for all mixed municipal solid waste generated in the county to be delivered to and processed by a resource recovery facility located in the county for at least 20 years; or

(3) is or was permitted by the agency and stopped accepting mixed municipal solid waste and industrial waste for disposal by January 1, 2009, and for which the postclosure care period ended on July 26, 2013.

Sec. 95. Minnesota Statutes 2016, section 115B.40, subdivision 4, is amended to read:

Subd. 4. **Qualified facility not under cleanup order; duties.** (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph (e), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste;

(2) undertake or continue postclosure or custodial care at the facility until the date of notice of compliance under subdivision 7;

(3) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph ~~(h)~~ (m), clause (1), transfer to the commissioner of revenue for deposit in the remediation fund established in section 116.155 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure care, and response action at the facility; ~~and~~

(4) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph ~~(h)~~ (m), clause (2), transfer to the commissioner of revenue for deposit in the remediation fund established in section 116.155 an amount of cash that is equal to the sum of their approved current contingency action cost estimate and the present value of their approved estimated remaining postclosure care costs required for proof of financial responsibility under section 116.07, subdivision 4h; and

(5) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph (m), clause (3), transfer to the commissioner of revenue for deposit in the remediation fund established

in section 116.155 an amount of cash that is equal to any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure and custodial care and response action undertaken by the owner or operator at the facility have been reimbursed.

(b) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph ~~(h)~~ (m), clause (1), provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(2) enter into a binding agreement with the commissioner to:

(i) in the case of qualified facilities defined in section 115B.39, subdivision 2, paragraph ~~(h)~~ (m), clause (1), take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (1); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(c) The owner or operator of a qualified facility defined in section 115B.39, subdivision 2, paragraph ~~(h)~~ (m), clause (1), that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

(d) The agreement required in paragraph (b), clause (2), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

(e) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Sec. 96. Minnesota Statutes 2016, section 115C.021, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Except as provided in subdivisions 2 to ~~4~~ 5, a person is responsible for a release from a tank if the person is an owner or operator of the tank at any time during or after the release.

Sec. 97. Minnesota Statutes 2016, section 115C.021, is amended by adding a subdivision to read:

Subd. 5. **Heating fuel oil vendor.** A heating oil vendor is not a responsible person for a heating fuel oil release at a residential location if the release was caused solely by the failure of a tank owned by the homeowner.

Sec. 98. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to read:

Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means money required to be paid to the state as a result of litigation or settlements of alleged violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq., or rules adopted thereunder, by an automobile manufacturer. The commissioner of management and budget must establish the Clean Air Act settlement account in the environmental fund. Notwithstanding sections 16A.013 to 16A.016, the commissioner of management and budget must deposit Clean Air Act settlement money into the Clean Air Act settlement account. Clean Air Act settlement money must not be spent until it is specifically appropriated by law. The commissioner of management and budget must eliminate the Clean Air Act settlement account in the environmental fund after all Clean Air Act settlement money has been expended.

Sec. 99. Minnesota Statutes 2016, section 116.0714, is amended to read:

116.0714 NEW OPEN AIR SWINE BASINS.

The commissioner of the Pollution Control Agency or a county board shall not approve any permits for the construction of new open air swine basins, except that existing facilities may use one basin of less than 1,000,000 gallons as part of a permitted waste treatment program for resolving pollution problems or to allow conversion of an existing basin of less than 1,000,000 gallons to a different animal type, provided all standards are met. This section expires June 30, ~~2017~~ 2022.

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

Sec. 100. [116.083] PROPANE SCHOOL BUS AND FUELING STATION REBATE PROGRAM.

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

(1) "fueling station" means a station at a fixed location intended for use in fueling propane vehicles;

(2) "propane school bus" means a school bus fueled by propane and used by a school or under contract with the school to transport pupils to or from a school or to or from school-related activities;

(3) "school" means a Minnesota school district or Minnesota charter school; and

(4) "school bus" means a type A, B, C, or D school bus under section 169.011, subdivision 71.

Subd. 2. **Rebate eligibility.** (a) Schools that purchase a propane school bus or purchase and install a fueling station are eligible for a rebate under this section. A school that contracts for pupil transportation may apply for a rebate on behalf of the school bus contractor.

(b) Propane school buses must be registered and licensed in Minnesota. Fueling stations must be located in Minnesota.

(c) The following expenses are eligible for a rebate:

(1) the cost of an original equipment manufacturer propane school bus purchased; and

(2) the cost of fueling station equipment, including construction and installation costs.

Subd. 3. **Rebate amounts.** Rebates under this section may be issued for:

(1) no more than 25 percent of the cost of a propane school bus, not to exceed \$25,000; and

(2) no more than 50 percent of the cost of a fueling station, not to exceed \$50,000.

Subd. 4. **Maximum rebate allowed.** A school may receive no more than five propane school bus rebates per year. A school may receive one fueling station rebate.

Subd. 5. **Funding.** \$1,500,000 is annually appropriated from the Clean Air Act settlement account in the environmental fund to the agency for grants under this section. The grants must be awarded through a request for proposal process established by the commissioner and must comply with the litigation or settlement order providing receipts to the account.

Sec. 101. Minnesota Statutes 2016, section 160.06, is amended to read:

160.06 TRAIL OR PORTAGE DEDICATION.

Any trail or portage between public or navigable bodies of water or from public or navigable water to a public highway in this state ~~which that~~ has been in continued and uninterrupted use by the general public for 15 years or more as a trail or portage for the purposes of travel, ~~shall be~~ is deemed to have been dedicated to the public as a trail or portage. This section ~~shall apply~~ applies only to forest trails on established ~~state water trails~~ canoe routes and the public ~~shall have~~ has the right to use the same for the purposes of travel to the same extent as public highways. The width of all trails and portages dedicated by user ~~shall be~~ is eight feet on each side of the centerline of the trail or portage.

Sec. 102. Minnesota Statutes 2016, section 282.018, subdivision 1, is amended to read:

Subdivision 1. **Land on or adjacent to public waters.** (a) All land which is the property of the state as a result of forfeiture to the state for nonpayment of taxes, regardless of whether the land is held in trust for taxing districts, and which borders on or is adjacent to meandered lakes and other public waters and watercourses, and the live timber growing or being thereon, is hereby withdrawn from sale except as hereinafter provided. The authority having jurisdiction over the timber on any ~~such~~ of these lands may sell the timber as otherwise provided by law for cutting and removal under

~~such~~ the conditions as the authority may prescribe in accordance with approved, sustained yield forestry practices. The authority having jurisdiction over the timber shall reserve ~~such~~ the timber and impose ~~such~~ the conditions as the authority deems necessary for the protection of watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis counties described in the Act of Congress approved July 10, 1930 (46 Stat. 1020), the timber on tax-forfeited lands shall be subject to like restrictions as are now imposed by that act on federal lands.

(b) Of all tax-forfeited land bordering on or adjacent to meandered lakes and other public waters and watercourses and so withdrawn from sale, a strip two rods in width, the ordinary high-water mark being the waterside boundary thereof, and the land side boundary thereof being a line drawn parallel to the ordinary high-water mark and two rods distant landward therefrom, hereby is reserved for public travel thereon, and whatever the conformation of the shore line or conditions require, the authority having jurisdiction over ~~such~~ these lands shall reserve a wider strip for ~~such~~ these purposes.

(c) Any tract or parcel of land which has 150 feet or less of waterfront may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of ~~such~~ the lands, if the authority determines that it is in the public interest to do so. Any tract or parcel of land within a plat of record bordering on or adjacent to meandered lakes and other public waters and watercourses may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of the lands, if the authority determines that it is in the public interest to do so. If the authority having jurisdiction over the land is not the commissioner of natural resources, the land may not be offered for sale without the prior approval of the commissioner of natural resources.

(d) Where the authority having jurisdiction over lands withdrawn from sale under this section is not the commissioner of natural resources, the authority may submit proposals for disposition of the lands to the commissioner. The commissioner of natural resources shall evaluate the lands and their public benefits and make recommendations on the proposed dispositions to the committees of the legislature with jurisdiction over natural resources. The commissioner shall include any recommendations of the commissioner for disposition of lands withdrawn from sale under this section over which the commissioner has jurisdiction. The commissioner's recommendations may include a public sale, sale to a private party, acquisition by the Department of Natural Resources for public purposes, or a cooperative management agreement with, or transfer to, another unit of government.

Sec. 103. Minnesota Statutes 2016, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor, with terms and conditions set by the county board, may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may sell any timber, including biomass, as appraised or scaled. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding ~~\$3,000~~ 500 cords in appraised ~~valuation~~ volume may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, or to use for facilities needed to recover iron-bearing oxides from tailings basins or stockpiles, or for a buffer area needed for a mining operation, upon the conditions and for the consideration and for the period of time, not exceeding 25 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the

hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 104. **[471.9998] MERCHANT BAGS.**

Subdivision 1. Citation. This section may be cited as the Consumer Choice Act.

Subd. 2. Merchant option. All merchants, itinerant vendors, and peddlers doing business in this state shall have the option to provide customers a paper, plastic, or reusable bag for the packaging of any item or good purchased, provided the purchase is of a size and manner commensurate with the use of paper, plastic, or reusable bags.

Subd. 3. Prohibition; bag ban or tax. Notwithstanding any other provision of law, no political subdivision shall impose any ban, fee, or tax upon the use of paper, plastic, or reusable bags for packaging of any item or good purchased from a merchant, itinerant vendor, or peddler.

EFFECTIVE DATE. This section is effective May 31, 2017. Ordinances existing on the effective date of this section that would be prohibited under this section are invalid as of the effective date of this section.

Sec. 105. Laws 2000, chapter 486, section 4, as amended by Laws 2001, chapter 182, section 2, is amended to read:

Sec. 4. **[BOATHOUSE LEASES; SOUDAN UNDERGROUND MINE STATE PARK.]**

(a) In 1965, United States Steel Corporation conveyed land to the state of Minnesota that was included in the Soudan underground mine state park, with certain lands at Stuntz Bay subject to leases outstanding for employee boathouse sites.

(b) Notwithstanding Minnesota Statutes, sections 85.011, 85.012, subdivision 1, and 86A.05, subdivision 2, upon the expiration of a boathouse lease described under paragraph (a), the commissioner of natural resources shall offer a new lease to the party in possession at the time of lease expiration, or, if there has been a miscellaneous lease issued by the Department of Natural Resources due to expiration of a lease described under paragraph (a), upon its expiration to the lessee. The new lease shall be issued under the terms and conditions of Minnesota Statutes, section 92.50, ~~with the following limitations~~ except as follows:

(1) the term of the lease shall be for the lifetime of the party being issued a renewed lease and, if transferred, for the lifetime of the party to whom the lease is transferred;

(2) the new lease shall provide that the lease may be transferred only once and the transfer must be to a person within the third degree of kindred or first cousin according to civil law; ~~and~~

(3) the commissioner shall limit the number of lessees per lease to no more than two persons who have attained legal age; and

(4) the lease amount must not exceed 50 percent of the average market rate, based on comparable private lease rates, as determined once every five years per lease.

At the time of the new lease, the commissioner may offer, and after agreement with the leaseholder, lease equivalent alternative sites to the leaseholder.

(c) The commissioner shall not cancel a boathouse lease described under paragraphs (a) and (b) except for noncompliance with the lease agreement.

(d) The commissioner must issue a written receipt to the lessee for each lease payment.

~~(d) By January 15, 2001, the commissioner of natural resources shall report to the senate and house environment and natural resources policy and finance committees on boathouse leases in state parks. The report shall include information on:~~

~~(1) the number of boathouse leases;~~

~~(2) the number of leases that have forfeited;~~

~~(3) the expiration dates of the leases;~~

~~(4) the historical significance of the boathouses;~~

~~(5) recommendations on the inclusion of the land described in paragraph (d) within the park boundary; and~~

~~(6) any other relevant information on the leases.~~

(e) The commissioner of natural resources shall contact U.S.X. Corporation and local units of government regarding the inclusion of the following lands within Soudan underground mine state park:

(1) all lands located South of Vermillion Lake shoreline in Section 13, Township 62 North, Range 15 West;

(2) all lands located South of Vermillion Lake shoreline in the S1/2-SE1/4 of Section 14, Township 62 North, Range 15 West;

(3) NE1/4-SE1/4 and E1/2-NE1/4 of Section 22, Township 62 North, Range 15 West;

(4) all lands located South of Vermillion Lake shoreline in Section 23, Township 62 North, Range 15 West;

(5) all of Section 24, Township 62 North, Range 15 West;

(6) all lands North of trunk highway No. 169 located in Section 25, Township 62 North, Range 15 West;

(7) all lands North of trunk highway No. 169 located in Section 26, Township 62 North, Range 15 West;

(8) NE1/4-SE1/4 and SE1/4-NE1/4 of Section 27, Township 62 North, Range 15 West; and

(9) NW1/4 of Section 19, Township 62 North, Range 14 West.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to monthly lease payments made on or after that date.

Sec. 106. Laws 2013, chapter 114, article 4, section 105, is amended to read:

Sec. 105. **RULES; SILICA SAND.**

~~(a) The commissioner of the Pollution Control Agency shall adopt rules pertaining to the control of particulate emissions from silica sand projects. The rulemaking is exempt from Minnesota Statutes, section 14.125.~~

~~(b)~~ (a) The commissioner of natural resources shall adopt rules pertaining to the reclamation of silica sand mines. The rulemaking is exempt from Minnesota Statutes, section 14.125.

~~(c)~~ (b) By January 1, 2014, the Department of Health shall adopt an air quality health-based value for silica sand.

~~(d)~~ (c) The Environmental Quality Board shall amend its rules for environmental review, adopted under Minnesota Statutes, chapter 116D, for silica sand mining and processing to take into account the increased activity in the state and concerns over the size of specific operations. The Environmental Quality Board shall consider whether the requirements of Minnesota Statutes, section 116C.991, should remain part of the environmental review requirements for silica sand and whether the requirements should be different for different geographic areas of the state. The rulemaking is exempt from Minnesota Statutes, section 14.125.

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

Sec. 107. **FORT RIDGELY STATE PARK GOLF COURSE.**

(a) By May 1, 2017, the commissioner of natural resources must work out an agreement with the city of Fairfax that allows the city to lease and operate the golf course at Fort Ridgely State Park. The agreement must include:

- (1) lease and operation of the existing golf course;
- (2) lease of the irrigation system, including the ability to maintain and repair it;
- (3) lease of the upper level of the Fort Ridgely State Park Chalet;
- (4) lease of Storage Building 4-292;
- (5) the ability for golf carts to be used by users of the golf course;
- (6) the ability to offer liquor for sale;
- (7) public access to the golf course without requiring a state park permit; and
- (8) the ability to improve the golf course, including improvements to golf-cart paths and the chalet.

(b) The agreement must allow the city to lease the golf course for 12 months and renew the lease annually for at least ten years. The rental fee must not exceed eight percent of the total green fees received, excluding golf-cart rental fees. The commissioner must ensure that the golf course has a playable surface when the lease begins and the city of Fairfax must ensure the golf course has a playable surface should the lease expire.

(c) Admission to property leased under this section is exempt from state park permit fees required under Minnesota Statutes, chapter 85.

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

Sec. 108. **CANCELLATION OF PERMITS.**

Water-use permits issued before July 1, 2017, for water use exempted under Minnesota Statutes, section 103G.271, subdivision 1, paragraph (d), are canceled effective July 1, 2017.

Sec. 109. **DEMOLITION DEBRIS LANDFILL PERMITTING.**

A solid waste permit issued by the Pollution Control Agency to an existing class I demolition debris landfill facility that is operating under the Pollution Control Agency Demolition Landfill Guidance, issued August 2005, is extended pursuant to Minnesota Rules, part 7001.0160, for a period of five years, unless a new permit is issued for the facility by the Pollution Control Agency after the effective date of this section.

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

Sec. 110. **DISPOSITION OF PROCEEDS; ST. LOUIS COUNTY ENVIRONMENTAL TRUST FUND.**

Notwithstanding Minnesota Statutes, chapter 282, and any other law relating to the disposition of proceeds from the sale of tax-forfeited land, the St. Louis County Board must deposit any money received from the sale of tax-forfeited land purchased by the Fond du Lac Band of Lake Superior Chippewa with money appropriated under Laws 2014, chapter 256, article 1, section 2, subdivision 3, paragraph (a), into an environmental trust fund established by the county. The principal from the sale of the land may not be expended. The county may spend interest earned on the principal only for purposes related to improving natural resources.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective the day after the St. Louis County Board and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 111. **WATER USE PERMIT AND DATA COLLECTION; APPROPRIATION.**

(a) Notwithstanding Minnesota Statutes, sections 84.0895 and 103G.223, or other law to the contrary, the commissioner of natural resources must issue, upon application, a water use permit for calcareous fens located in Pipestone County. The permittee must agree to the following permit conditions:

(1) the permit is for a term of 15 years, but may be revoked after five years if paragraph (b) applies;

(2) water use under the permit is limited to irrigation of agricultural crops at a rate of no more than 800 gallons per minute in accordance with an irrigation plan submitted with the water use permit application;

(3) the permittee must pay for the irrigation system installed during the term of the permit; and

(4) installation of the irrigation system must minimize disturbance to the existing plant community in the calcareous fens. The commissioner must provide technical advice for installation of the irrigation system.

(b) If, at any time after five years of water use, the commissioner determines the drawdown of water from the fens endangers the continued sustainability of the calcareous fens, the commissioner may revoke the permit. If the commissioner revokes the permit before the permit's expiration date, the permittee must be reimbursed for the cost of the irrigation system, prorated over the full 15-year term of the original permit.

(c) The commissioner must monitor the calcareous fens to collect data on the effects of water use from the fens for the duration of the permit. If the commissioner concludes that, based on collected data, the calcareous fens remain viable after 15 years of water use, the commissioner must renew the water use permit for an additional 15 years, free of the condition imposed under paragraph (a), clause (1).

Sec. 112. **SAND DUNES STATE FOREST MANAGEMENT.**

Subdivision 1. **Forest management.** When managing the Sand Dunes State Forest, the commissioner must not convert additional land to oak savanna unless it is done as a result of a contract entered into before the effective date of this section.

Subd. 2. **School trust lands.** Nothing in this section restricts the ability of the commissioner or the school trust lands director from managing school trust lands within the Sand Dunes State Forest for long-term economic return.

Subd. 3. **Township road.** If the commissioner of natural resources finds that any portion of 233rd Avenue within the Sand Dunes State Forest is not owned by the township, the commissioner must convey an easement over and across state-owned lands administered by the commissioner to the township under Minnesota Statutes, section 84.63, for the width of 233rd Avenue.

Subd. 4. **Sunset.** This section expires two years from the day following final enactment.

Sec. 113. **RULEMAKING; EFFLUENT LIMITATION COMPLIANCE.**

(a) The commissioner of the Pollution Control Agency shall amend Minnesota Rules, part 7001.0150, subpart 2, item A, by inserting the following:

"For a municipality that constructs a publicly owned treatment works facility to comply with a new or modified effluent limitation, compliance with any new or modified effluent limitation adopted after construction begins that would require additional capital investment is required no sooner than 16 years after the date of initiation of operation of the facility."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply, except as provided under Minnesota Statutes, section 14.388.

Sec. 114. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall replace all references to Minnesota Statutes, section 115B.39, subdivision 2, paragraph (l), with Minnesota Statutes, section 115B.39, subdivision 2, paragraph (m), and shall make all other necessary changes to preserve the meaning of the text and to conform with the paragraph relettering in this act.

Sec. 115. **REPEALER.**

(a) Minnesota Statutes 2016, sections 84.026, subdivision 3; 97B.031, subdivision 5; 97C.701, subdivisions 1a and 6; 97C.705; and 97C.711, are repealed.

(b) Minnesota Rules, parts 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, and 5; 6258.0800; and 6258.0900, are repealed.

ARTICLE 3

ENVIRONMENTAL REFORMS

Section 1. Minnesota Statutes 2016, section 84.027, subdivision 14a, is amended to read:

Subd. 14a. **Permitting efficiency; public notice.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for Tier 1 permits or 150 days for Tier 2 permits following submission of a permit application. The commissioner of natural resources shall establish management systems designed to achieve the goal.

(b) The commissioner shall prepare an annual permitting efficiency report that includes statistics on meeting the goal in paragraph (a) and the criteria for ~~Tier 1 and~~ Tier 2 by permit categories. The report is due August 1 each year. For permit applications that have not met the goal, the report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify the number of days from initial submission of the application to the day of determination that the application is complete. The report must aggregate the data for the year and assess whether program or system changes are necessary to achieve the goal. The report must be posted on the department's Web site and submitted to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over natural resources policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the department.

(d) ~~Beginning July 1, 2011,~~ Within 30 business days of application for a permit subject to paragraph (a), the commissioner of natural resources shall notify the ~~project proposer~~ permit applicant, in writing, whether the application is complete or incomplete. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate all deficiencies, citing specific provisions of the applicable rules and statutes, and advise the applicant on how the deficiencies can be remedied. If the commissioner determines that the application is complete, the notice must confirm the application's Tier 1 or Tier 2 permit status and, upon request of the permit applicant of an individual Tier 2 permit, provide the permit applicant with a schedule for reviewing the permit application. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) When public notice of a draft individual Tier 2 permit is required, the commissioner must issue the notice with the draft permit within 150 days of receiving a completed permit application unless the permit applicant and the commissioner mutually agree to a different date. Upon request of the permit applicant, the commissioner must provide a copy of the draft permit to the permit applicant and consider comments on the draft permit from the permit applicant before issuing the public notice.

Sec. 2. Minnesota Statutes 2016, section 84.027, subdivision 14b, is amended to read:

Subd. 14b. **Expediting costs; reimbursement.** Permit applicants ~~who wish to construct, reconstruct, modify, or operate a facility~~ needing any permit from the commissioner of natural resources to construct, reconstruct, or modify a project or to operate a facility may offer to reimburse the department for the reasonable costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the commissioner determines that additional resources are needed to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the commissioner may accept the reimbursement. The commissioner must give the permit applicant an estimate of costs for the expedited service to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each

task. The proposer and the commissioner shall enter into a written agreement detailing the estimated costs for the expedited service to be incurred by the department and any recourse available to the applicant if the department fails to comply with the schedule. The agreement must also identify staff anticipated to be assigned to the project and describe the commissioner's commitment to making assigned staff available for the project until the permit decision is made. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the commissioner are appropriated to the commissioner for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the commissioner's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

Sec. 3. Minnesota Statutes 2016, section 84.027, is amended by adding a subdivision to read:

Subd. 14c. **Irrevocability, suspensions, or expiration of permits; environmental review.** (a) If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money to the commissioner of natural resources for environmental review and permitting activities of the Department of Natural Resources:

(1) a permit granted by the commissioner may not be terminated or suspended for the term of the permit nor shall it expire without the consent of the permittee, except for breach or nonperformance of any condition of the permit by the permittee that is an imminent threat to impair or destroy the environment or injure the health, safety, or welfare of the citizens of the state; and

(2) environmental review and permit application work on environmental review and permits filed before July 1 of that year must not be suspended or terminated.

(b) Paragraph (a), clause (1), applies until legislation appropriating money to the commissioner for the environmental review and permitting activities is enacted.

Sec. 4. Minnesota Statutes 2016, section 84.027, is amended by adding a subdivision to read:

Subd. 14d. **Unadopted rules.** (a) The commissioner of natural resources must not enforce or attempt to enforce an unadopted rule. For the purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement, if the guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement meets the definition of a rule as defined under section 14.02, subdivision 4, but has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must overcome a presumption against the unadopted rule.

(b) If the commissioner incorporates by reference an internal guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement into a statute, rule, or standard, the commissioner must follow the rulemaking process provided under chapter 14 to amend or revise any such guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement.

Sec. 5. Minnesota Statutes 2016, section 93.25, subdivision 2, is amended to read:

Subd. 2. **Lease requirements.** All leases for nonferrous metallic minerals or petroleum must be approved by the Executive Council, and any other mineral lease issued pursuant to this section that covers 160 or more acres must be approved by the Executive Council. The rents, royalties, terms, conditions, and covenants of all such leases shall be fixed by the commissioner according to rules adopted by the commissioner, but no lease shall be for a longer term than 50 years, and all rents, royalties, terms, conditions, and covenants shall be fully set forth in each lease issued. No lease shall be canceled by the state for failure to meet production requirements prior to the 36th year of the lease. The rents and royalties shall be credited to the funds as provided in section 93.22.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to leases in effect or issued on or after that date.

Sec. 6. Minnesota Statutes 2016, section 93.50, is amended to read:

93.50 APPEAL.

Any person aggrieved by any final order, ruling, or decision of the commissioner may ~~appeal~~ seek judicial review of such order, ruling, or decision in the manner provided in chapter 14 under sections 14.63 to 14.69.

Sec. 7. Minnesota Statutes 2016, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area. All wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the impacted wetland;
- (2) in the same watershed as the impacted wetland;
- (3) in the same county or wetland bank service area as the impacted wetland; and
- (4) in another wetland bank service area.

(b) Notwithstanding paragraph (a), wetland banking credits approved according to a complete wetland banking application submitted to a local government unit by April 1, 1996, may be used to replace wetland impacts resulting from public transportation projects statewide.

(c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement by wetland banking begins at paragraph (a), clause (3), according to rules adopted under section 103G.2242, subdivision 1.

(d) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

(e) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

(f) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

(g) The board must establish wetland replacement ratios and wetland bank service area priorities to implement the siting and targeting of wetland replacement and encourage the use of high priority areas for wetland replacement.

(h) Wetland replacement sites identified in accordance with the priority order for replacement siting in paragraph (a) as part of the completion of an adequate environmental impact statement may be approved for a replacement plan under section 93.481, 103G.2242, or 103G.2243 without further modification related to the priority order, notwithstanding availability of new mitigation sites or availability of credits after completion of an adequate environmental impact statement. Wetland replacement plan applications must be submitted within one year of the adequacy determination of the environmental impact statement to be eligible for approval under this paragraph.

Sec. 8. Minnesota Statutes 2016, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public-waters-work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values and may address the state establishment and administration of a wetland banking program for public and private projects, including provisions for an in-lieu fee program; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

(d) When making a determination under rules adopted pursuant to this subdivision on whether a rare natural community will be permanently adversely affected, consideration of measures to mitigate any adverse effect on the community must be considered.

Sec. 9. [115.051] REVIEW OF PROPOSED ACTIONS OF THE POLLUTION CONTROL AGENCY.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Local government unit" means a statutory or home rule charter city, county, local public utilities commission, sanitary district, or an organization formed for the joint exercise of powers under section 471.59.

(c) "Proposed action" means an action that is all of the following:

(1) being considered by the commissioner of the Pollution Control Agency or has been undertaken by the commissioner but is not yet final;

(2) would, once final, constitute one of the following:

(i) the issuance, amendment, modification, or denial of a water quality standard under section 115.44, a water-related permit, a total maximum daily load (TMDL) study, or a watershed restoration and protection strategy (WRAPS); or

(ii) another action or decision undertaken pursuant to the commissioner's authority under chapter 114D or 115 that is or would be eligible for a contested case hearing under chapter 14 or that would constitute rulemaking under that chapter.

(d) "Requisite number" means five or more if the proposed action is rulemaking under chapter 14. The term means one or more if the proposed action is one that is or would be eligible for a contested case hearing under chapter 14.

(e) "Review petition" means a written petition of a local government unit adopted by resolution of the applicable governing body that describes the need for review by an expert review panel of the scientific basis of a proposed action that potentially affects the petitioner.

(f) "Review proceeding" means a proceeding under chapter 14 of the Office of Administrative Hearings to review a proposed action.

Subd. 2. Office of Administrative Hearings review of scientific basis for proposed action.
In any review proceeding, the administrative law judge must examine the administrative record and, without deference to the commissioner, independently determine from the record whether:

(1) the proposed action is based on reliable scientific data and analyses, as confirmed by publicly available peer-reviewed literature;

(2) every test, measurement, or model the commissioner relied on in support of the proposed action was used by the commissioner for the purpose for which the test, measurement, or model was designed, consistent with generally accepted and peer-reviewed scientific practice;

(3) the proposed action is consistent with the findings of any applicable external peer review panel the commissioner convened under section 115.035; and

(4) the proposed action is based on a demonstrated, significant causal relationship between the parameters of concern and the water-quality objective at issue, not the correlation alone. When a causal relationship may be confounded by other factors, the reviewing authority must determine whether the relevance and effect of those factors were assessed to ensure the predicted causal relationship is valid.

Subd. 3. Effect of Office of Administrative Hearings finding of inadequate basis for proposed action. If an administrative law judge determines that any of the conditions set forth in subdivision 2, clauses (1) to (4), are not satisfied, then:

(1) if the proposed action was a proposed rule, the administrative law judge must find that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2; and

(2) if the proposed action was before the Office of Administrative Hearings as part of a contested case hearing, the administrative law judge must include this finding in the report required by sections 14.48 to 14.56, which shall constitute the final decision in the case.

Subd. 4. When independent expert review panel required; composition. The Office of Administrative Hearings must convene an expert review panel to review the scientific basis of a proposed action when it receives the requisite number of review petitions and finds, based on its independent review of the petitions, that the petitions demonstrate the existence of a material scientific dispute regarding the scientific validity of the commissioner's proposed action. The Office of Administrative Hearings shall issue an order granting or denying a petition within 30 days of its receipt of the petition. A review panel must consist of three independent experts with qualifications in the subject matter of the scientific dispute who are employed neither by the Pollution Control Agency nor by a petitioner to the proceeding and who are not directly or indirectly involved with the work conducted or contracted by the agency. The composition of the panel must be determined as follows:

(1) the commissioner of the Pollution Control Agency must select one expert satisfying the requirements of this subdivision;

(2) the petitioners must jointly select one expert satisfying the requirements of this subdivision;
and

(3) the two experts selected under clauses (1) and (2) must mutually agree to a third expert satisfying the requirements of this subdivision. If the two experts are unable to agree on a third expert, the Office of Administrative Hearings must make the appointment.

Subd. 5. Conduct of independent expert review panel. Upon granting a petition for independent expert review, the Office of Administrative Hearings must, as soon as practicable thereafter, issue an order establishing the independent expert review panel, identifying the independent experts selected pursuant to subdivision 4. This order must include a statement of the specific scientific issues or questions in dispute to be submitted for review by the panel. The commissioner and all petitioners must agree on the issues or questions in dispute to be submitted for review. If they cannot

agree on one or more issues or questions, the Office of Administrative Hearings must determine the issue or questions to be submitted giving substantial consideration to the questions raised in any petitions it has received. The panel must review the scientific evidence relevant to those issues or questions as found in the petitions, the administrative record for the proposed action, and the results of any external peer review conducted according to section 115.035, in accordance with the guidance in the United States Environmental Protection Agency's Peer Review Handbook. The panel must submit a written opinion on the scientific validity of the commissioner's approach that is in controversy. If the panel finds deficiencies, the panel must recommend how the deficiencies can be corrected. The written opinion shall become part of the administrative record and must be submitted to the Office of Administrative Hearings, which shall send a written copy of the opinion to the commissioner of the Pollution Control Agency, all petitioners, and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment and natural resources policy and finance.

Subd. 6. **Status of action pending independent expert panel review.** Once the Office of Administrative Hearings has received the requisite number of review petitions, it must notify the Pollution Control Agency of this fact and:

(1) the Pollution Control Agency shall not grant or deny a contested case petition filed by the local government unit on the proposed action that is the subject of a petition or otherwise proceed towards finalizing the proposed action until the Office of Administrative Hearings denies the petition for independent expert review, or if the petition is granted, it has received and considered the written opinion required by subdivision 5; and

(2) the Office of Administrative Hearings shall not conduct the review required by subdivision 2 until it has received the written opinion required by subdivision 5.

Subd. 7. **Chapter 14 requirements must be followed.** Nothing in this section shall be construed to abrogate or otherwise repeal any of the procedural requirements of chapter 14. Upon receipt of a written opinion pursuant to subdivision 5, the Pollution Control Agency and the Office of Administrative Hearings shall make the opinion available to the public for review and continue to follow all applicable provisions of chapter 14, including public comment and hearing requirements.

Subd. 8. **Timing of review petition submission.** A review petition submitted to the Office of Administrative Hearings must be submitted within the time period for filing a contested case petition or prior to the expiration of the public comment period as noticed in the statement of intent to adopt the rule, as applicable.

Subd. 9. **This section is supplementary.** The duties and procedures set forth in this section are supplementary and applicable to those set forth in section 14.091.

Sec. 10. Minnesota Statutes 2016, section 116.03, subdivision 2b, is amended to read:

Subd. 2b. **Permitting efficiency.** (a) It is the goal of the state that environmental and resource management permits be issued or denied within 90 days for Tier 1 permits or 150 days for Tier 2 permits following submission of a permit application. The commissioner of the Pollution Control Agency shall establish management systems designed to achieve the goal. For the purposes of this section, "Tier 1 permits" are permits that do not require individualized actions or public comment

periods, and "Tier 2 permits" are permits that require individualized actions or public comment periods.

(b) The commissioner shall prepare an annual permitting efficiency report that includes statistics on meeting the goal in paragraph (a) and the criteria for ~~Tier 1 and~~ Tier 2 by permit categories. The report is due August 1 each year. For permit applications that have not met the goal, the report must state the reasons for not meeting the goal. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify the number of days from initial submission of the application to the day of determination that the application is complete. The report must aggregate the data for the year and assess whether program or system changes are necessary to achieve the goal. The report must be posted on the agency's Web site and submitted to the governor and the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over environment policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the agency.

(d) ~~Beginning July 1, 2011,~~ Within 30 business days of application for a permit subject to paragraph (a), the commissioner of the Pollution Control Agency shall notify the ~~project proposer~~ permit applicant, in writing, whether the application is complete or incomplete. If the commissioner determines that an application is incomplete, the notice to the applicant must enumerate all deficiencies, citing specific provisions of the applicable rules and statutes, and advise the applicant on how the deficiencies can be remedied. If the commissioner determines that the application is complete, the notice must confirm the application's Tier 1 or Tier 2 permit status and, upon request of the permit applicant of an individual Tier 2 permit, provide the permit applicant with a schedule for reviewing the permit application. This paragraph does not apply to an application for a permit that is subject to a grant or loan agreement under chapter 446A.

(e) For purposes of this subdivision, "permit professional" means an individual not employed by the Pollution Control Agency who:

(1) has a professional license issued by the state of Minnesota in the subject area of the permit;

(2) has at least ten years of experience in the subject area of the permit; and

(3) abides by the duty of candor applicable to employees of the Pollution Control Agency under agency rules and complies with all applicable requirements under chapter 326.

(f) Upon the agency's request, an applicant relying on a permit professional must participate in a meeting with the agency before submitting an application:

(1) at least two weeks prior to the preapplication meeting, the applicant must submit at least the following:

(i) project description, including, but not limited to, scope of work, primary emissions points, discharge outfalls, and water intake points;

- (ii) location of the project, including county, municipality, and location on the site;
 - (iii) business schedule for project completion; and
 - (iv) other information requested by the agency at least four weeks prior to the scheduled meeting;
- and
- (2) during the preapplication meeting, the agency shall provide for the applicant at least the following:
 - (i) an overview of the permit review program;
 - (ii) a determination of which specific application or applications will be necessary to complete the project;
 - (iii) a statement notifying the applicant if the specific permit being sought requires a mandatory public hearing or comment period;
 - (iv) a review of the timetable established in the permit review program for the specific permit being sought; and
 - (v) a determination of what information must be included in the application, including a description of any required modeling or testing.
 - (g) The applicant may select a permit professional to undertake the preparation of the permit application and draft permit.
 - (h) If a preapplication meeting was held, the agency shall, within seven business days of receipt of an application, notify the applicant and submitting permit professional that the application is complete or is denied, specifying the deficiencies of the application.
 - (i) Upon receipt of notice that the application is complete, the permit professional shall submit to the agency a timetable for submitting a draft permit. The permit professional shall submit a draft permit on or before the date provided in the timetable. Within 60 days after the close of the public comment period, the commissioner shall notify the applicant whether the permit can be issued.
 - (j) Nothing in this section shall be construed to modify:
 - (1) any requirement of law that is necessary to retain federal delegation to or assumption by the state; or
 - (2) the authority to implement a federal law or program.
 - (k) The permit application and draft permit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the permit application and draft permit. The commissioner shall request additional studies, if needed, and the ~~project proposer~~ permit applicant shall submit all additional studies and information necessary for the commissioner to perform the commissioner's responsibility to review, modify, and determine the completeness of the application and approve the draft permit.

Sec. 11. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to read:

Subd. 7. **Draft permits; public notice.** When public notice of a draft individual Tier 2 permit is required, the commissioner must issue the notice with the draft permit within 150 days of receiving a completed permit application unless the permit applicant and the commissioner mutually agree to a different date. Upon request of the permit applicant, the commissioner must provide a copy of the draft permit to the permit applicant and consider comments on the draft permit from the permit applicant before issuing the public notice.

Sec. 12. Minnesota Statutes 2016, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to a notification, permit, or license requirement under this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. The annual fee shall be used to pay for all direct and indirect reasonable costs, including legal costs, required to develop and administer the notification, permit, or license program requirements of this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or rules adopted thereunder. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a facility project may offer to reimburse the agency for the reasonable costs of staff time or consultant services needed to expedite the preapplication process and permit development process through the final decision on the permit, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. The commissioner must give the applicant an estimate of costs to be incurred by the commissioner. The estimate must include a brief description of the tasks to be performed, a schedule for completing the tasks, and the estimated cost for each task. The applicant and the commissioner must enter into a written agreement detailing the estimated costs for the expedited permit decision-making process to be incurred by the agency and any recourse available to the applicant if the agency fails to meet the schedule. The agreement must also identify staff anticipated to be assigned to the project and describe the commissioner's commitment to make assigned staff available for the project until the permit decision is made. The commissioner must not issue a permit until the applicant has paid all fees in full. The commissioner must refund any unobligated balance of fees paid. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 13. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Irrevocability, suspensions, or expiration of permits; environmental review. (a) If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money to the commissioner of the Pollution Control Agency for environmental review and permitting activities of the agency:

(1) a permit granted by the commissioner may not be terminated or suspended for the term of the permit nor shall it expire without the consent of the permittee, except for breach or nonperformance of any condition of the permit by the permittee that is an imminent threat to impair or destroy the environment or injure the health, safety, or welfare of the citizens of the state; and

(2) environmental review and permit application work on environmental review and permits filed before July 1 of that year must not be suspended or terminated.

(b) Paragraph (a), clause (1), applies until legislation appropriating money to the commissioner for the environmental review and permitting activities is enacted.

Sec. 14. Minnesota Statutes 2016, section 116.07, is amended by adding a subdivision to read:

Subd. 14. Unadopted rules. (a) The commissioner of the Pollution Control Agency must not enforce or attempt to enforce an unadopted rule. For the purposes of this subdivision, "unadopted rule" means a guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement, if the guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement meets the definition of a rule as defined under section 14.02, subdivision 4, but has not been adopted according to the rulemaking process provided under chapter 14. If an unadopted rule is challenged under section 14.381, the commissioner must overcome a presumption against the unadopted rule.

(b) If the commissioner incorporates by reference an internal guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement into a statute, rule, or standard, the commissioner must follow the rulemaking process provided under chapter 14 to amend or revise any such guideline, bulletin, criterion, manual standard, interpretive statement, or similar pronouncement.

Sec. 15. Minnesota Statutes 2016, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. When prepared. (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action.

~~(a)~~ (b) The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet ~~shall is not be~~ required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared ~~shall be~~ is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement ~~shall is not be~~ required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock ~~shall is not be~~ considered a fuel conversion facility as used in rules adopted under this chapter.

~~(b)~~ (d) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a Web site that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The board's chair may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

~~(e)~~ (e) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in the state, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chair of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chair may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

~~(d)~~ (f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules of the board, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days ~~prior to~~ before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules of the board.

Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, a mandatory environmental assessment worksheet is not required for an animal feedlot facility with a capacity of less than 2,000 animal units or an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 2,000 animal units.

~~(e)~~ (g) The board may, ~~prior to~~ before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

~~(f)~~ (h) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, ~~which that~~, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content, and level of detail of the statement as well as the alternatives ~~which that~~ are appropriate for consideration in the statement. In addition, the permits ~~which that~~ will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

~~(g)~~ (i) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a

hearing officer ~~prior to~~ before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing shall participate. The responsible governmental unit shall establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing. All agencies having jurisdiction over a permit identified in the draft environmental impact statement must accept and begin reviewing any permit application upon publication of the notice of preparation of the environmental impact statement.

~~(h)~~ (j) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 60 days to prepare an adequate environmental impact statement.

~~(i)~~ (k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 16. Minnesota Statutes 2016, section 116D.04, subdivision 10, is amended to read:

Subd. 10. **Review.** A person aggrieved by a final decision on the need for an environmental assessment worksheet, the need for an environmental impact statement, or the adequacy of an environmental impact statement is entitled to judicial review of the decision under sections 14.63 to 14.68. A petition for a writ of certiorari by an aggrieved person for judicial review under sections 14.63 to 14.68 must be filed with the Court of Appeals and served on the responsible governmental unit not more than ~~30~~ 45 days after the ~~party receives the final decision and order of the responsible governmental unit~~ provides notice of the decision as required by law. Proceedings for review under this section must be instituted by serving a petition for a writ of certiorari personally or by certified mail upon the responsible governmental unit and by promptly filing the proof of service in the Office of the Clerk of the Appellate Courts and the matter will proceed in the manner provided by the Rules of Civil Appellate Procedure. A copy of the petition must be provided to the attorney general at the time of service. Copies of the writ must be served, personally or by certified mail, upon the responsible governmental unit and the project proposer. The filing of the writ of certiorari does not stay the enforcement of any other governmental action, provided that the responsible governmental unit may stay enforcement or the Court of Appeals may order a stay upon terms it deems proper. A bond may

be required under section 562.02 unless at the time of hearing on the application for the bond the petitioner-relator has shown that the claim is likely to succeed on the merits. The board may initiate judicial review of decisions referred to herein and the board or a project proposer may intervene as of right in any proceeding brought under this subdivision.

Sec. 17. Minnesota Statutes 2016, section 116D.045, subdivision 1, is amended to read:

Subdivision 1. **Assessment.** The board ~~shall~~ must by rule adopt procedures to:

(1) assess the proposer of a specific action for the responsible governmental unit's reasonable costs of preparing, reviewing, and distributing the environmental impact statement. The costs ~~shall~~ must be determined by the responsible governmental unit ~~pursuant~~ according to the rules ~~promulgated~~ adopted by the board; and

(2) authorize a proposer of a specific action to prepare a draft environmental impact statement for that action for submission to and review, modification, and determination of completeness and adequacy by the responsible governmental unit.

Sec. 18. **SUSPENSION OF CERTAIN WATER QUALITY RULES.**

Until July 1, 2019, the water quality standards or other water quality rule changes adopted on or after July 2, 2014, that require a local unit of government to upgrade or update its wastewater treatment facility or to construct a new wastewater treatment facility, are suspended. Water quality standards and other water quality rules in effect on July 1, 2014, are in effect until July 1, 2019. Any actions brought by the commissioner of the Pollution Control Agency before, or contested cases under Minnesota Statutes, chapter 14, that are pending on the effective date of this section, to enforce water quality standards or other water quality rules adopted on or after July 2, 2014, are suspended until July 1, 2019.

EFFECTIVE DATE. This section is effective the day following final enactment and expires July 1, 2019.

ARTICLE 4

ENVIRONMENTAL QUALITY BOARD

Section 1. Minnesota Statutes 2016, section 3.886, subdivision 4, is amended to read:

Subd. 4. **Powers and duties.** (a) The Legislative Water Commission shall review water policy reports and recommendations of the ~~Environmental Quality Board, the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Natural Resources, the Metropolitan Council, and other water-related reports as may be required by law or the legislature.~~

(b) The commission may conduct public hearings and otherwise secure data and comments.

(c) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

(d) Data or information compiled by the Legislative Water Commission or its subcommittees shall be made available to the Legislative-Citizen Commission on Minnesota Resources, the Clean Water Council, and standing and interim committees of the legislature on request of the chair of the respective commission, council, or committee.

(e) The commission shall coordinate with the Clean Water Council.

Sec. 2. Minnesota Statutes 2016, section 13.7411, subdivision 9, is amended to read:

Subd. 9. ~~Environmental Quality Board~~ **Low-level radioactive waste.** ~~(a) Study data for radioactive waste disposal. Access to data derived from testing or studies for the disposal of radioactive waste is governed by section 116C.724, subdivision 3.~~

~~(b) Low-level radioactive waste.~~ Certain data given to the Pollution Control Agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.

Sec. 3. Minnesota Statutes 2016, section 18B.045, is amended to read:

18B.045 PESTICIDE MANAGEMENT PLAN.

Subdivision 1. **Development.** The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the detection of pesticides or pesticide breakdown products in groundwater and surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water. By September 1 of each even-numbered year, the commissioner must submit a status report on the plan to the ~~Environmental Quality Board for review and then to the~~ house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture.

Subd. 2. **Coordination.** The pesticide management plan shall be coordinated and developed with other state agency plans and with other state agencies ~~through the Environmental Quality Board.~~ In addition, the University of Minnesota Extension Service, farm organizations, farmers, environmental organizations, and industry shall be involved in the pesticide management plan development.

Sec. 4. Minnesota Statutes 2016, section 18E.06, is amended to read:

18E.06 REPORT.

By December 1 of each year, the Agricultural Chemical Response Compensation Board and the commissioner shall submit to the house of representatives Committee on Ways and Means, the senate Committee on Finance, and the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture, ~~and the Environmental Quality Board~~ a report detailing the board's activities and reimbursements and the expenditures and activities associated with the commissioner's incident response program for which money from the account has been spent during the previous year.

Sec. 5. Minnesota Statutes 2016, section 103A.204, is amended to read:

103A.204 GROUNDWATER POLICY.

(a) The responsibility for the protection of groundwater in Minnesota is vested in a multiagency approach to management. The following is a list of agencies and the groundwater protection areas for which the agencies are primarily responsible; the list is not intended to restrict the areas of responsibility to only those specified:

(1) ~~Environmental Quality Board~~ Clean Water Council: coordination of state groundwater protection programs;

(2) Pollution Control Agency: water quality monitoring and reporting and the development of best management practices and regulatory mechanisms for protection of groundwater from nonagricultural chemical contaminants;

(3) Department of Agriculture: sustainable agriculture, integrated pest management, water quality monitoring, and the development of best management practices and regulatory mechanisms for protection of groundwater from agricultural chemical contaminants;

(4) Board of Water and Soil Resources: reporting on groundwater education and outreach with local government officials, local water planning and management, and local cost share programs;

(5) Department of Natural Resources: water quantity monitoring and regulation, sensitivity mapping, and development of a plan for the use of integrated pest management and sustainable agriculture on state-owned lands; and

(6) Department of Health: regulation of wells and borings, and the development of health risk limits under section 103H.201.

(b) ~~The Environmental Quality Board shall~~ Clean Water Council must prepare a report on policy issues related to its responsibilities listed in paragraph (a); and include these reports with ~~the assessments in section 103A.43 and~~ the "Minnesota Water Plan" in section 103B.151.

Sec. 6. Minnesota Statutes 2016, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed elsewhere, the board ~~shall~~ must:

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

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

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

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

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

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

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

The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized or delegated purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may conduct or participate in local, state, or federal programs or projects that have as one purpose or effect the preservation or enhancement of water and soil resources and may enter into and administer agreements with local governments or landowners or their designated agents as part of those programs or projects. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project.

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

Sec. 7. Minnesota Statutes 2016, section 103B.151, is amended to read:

103B.151 COORDINATION OF WATER RESOURCE PLANNING.

Subdivision 1. **Water planning.** The ~~Environmental Quality Board~~ Clean Water Council ~~shall~~ must:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) coordinate comprehensive long-range water resources planning in furtherance of the Environmental Quality Board's "Minnesota Water Plan," published in January 1991, by September 15, 2000, and each ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) administer federal water resources planning with multiagency interests;

(6) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

(7) coordinate the development and evaluation of water information and education materials and resources; and

(8) coordinate the dissemination of water information and education through existing delivery systems.

Subd. 2. **Governor's representative.** The ~~Environmental Quality Board~~ Clean Water Council chair shall represent the governor on interstate water resources organizations.

Sec. 8. Minnesota Statutes 2016, section 103B.315, subdivision 5, is amended to read:

Subd. 5. **State review.** (a) After conducting the public hearing but before final adoption, the county board must submit its local water management plan, all written comments received on the plan, a record of the public hearing under subdivision 4, and a summary of changes incorporated as a result of the review process to the board for review. The board shall complete the review within 90 days after receiving a local water management plan and supporting documents. The board shall consult with the Departments of Agriculture, Health, and Natural Resources; the Pollution Control Agency; ~~the Environmental Quality Board~~; and other appropriate state agencies during the review.

(b) The board may disapprove a local water management plan if the board determines the plan is not consistent with state law. If a plan is disapproved, the board shall provide a written statement of its reasons for disapproval. A disapproved local water management plan must be revised by the county board and resubmitted for approval by the board within 120 days after receiving notice of disapproval of the local water management plan, unless the board extends the period for good cause.

(c) If the local government unit disagrees with the board's decision to disapprove the plan, it may, within 60 days, initiate mediation through the board's informal dispute resolution process as established pursuant to section 103B.345, subdivision 1. A local government unit may appeal disapproval to the Court of Appeals. A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69.

Sec. 9. Minnesota Statutes 2016, section 103H.151, subdivision 4, is amended to read:

Subd. 4. **Evaluation.** The commissioners of agriculture and the Pollution Control Agency shall, through field audits and other appropriate means, monitor the use and effectiveness of best management practices developed and promoted under this section. The information collected must be submitted to the ~~Environmental Quality Board, which must include the information in the report required in section 103A.43, paragraph (d)~~ Clean Water Council.

Sec. 10. Minnesota Statutes 2016, section 103H.175, subdivision 3, is amended to read:

Subd. 3. **Report.** Every five years, the Pollution Control Agency, in cooperation with other agencies participating in the monitoring of water resources, shall provide a draft report on the status of groundwater monitoring to the ~~Environmental Quality Board for review and then to the~~ house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture as part of the report in section 103A.204.

Sec. 11. Minnesota Statutes 2016, section 115A.32, is amended to read:

115A.32 RULES.

~~The board shall promulgate~~ commissioner of the Pollution Control Agency must adopt rules ~~pursuant~~ according to chapter 14 to govern ~~its~~ the activities under sections 115A.32 to 115A.39. ~~For the purposes of sections 115A.32 to 115A.39, "board" means the Environmental Quality Board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the commissioner of the Pollution Control Agency.~~

Sec. 12. Minnesota Statutes 2016, section 115A.33, is amended to read:

115A.33 ELIGIBILITY; REQUEST FOR REVIEW.

(a) The following persons ~~shall be~~ are eligible to request supplementary review by the temporary advisory board ~~pursuant~~ according to sections 115A.32 to 115A.39:

~~(a)~~ (1) a generator of sewage sludge within the state ~~who~~ that has been issued permits by the agency for a facility to dispose of sewage sludge or solid waste resulting from sewage treatment;

~~(b)~~ (2) a political subdivision ~~which~~ that has been issued permits by the agency, or a political subdivision acting on behalf of a person ~~who~~ that has been issued permits by the agency, for a solid waste facility ~~which~~ that is no larger than 250 acres, not including any proposed buffer area, and located outside the metropolitan area;

~~(c)~~ (3) a generator of hazardous waste within the state ~~who~~ that has been issued permits by the agency for a hazardous waste facility to be owned and operated by the generator, on property owned by the generator, and to be used by the generator for managing the hazardous wastes produced by the generator only;

~~(d)~~ (4) a person ~~who~~ that has been issued permits by the agency for a commercial hazardous waste processing facility at a site included in the board's inventory of preferred sites for such facilities adopted pursuant to Minnesota Statutes 1996, section 115A.09; and

~~(e)~~ (5) a person ~~who~~ that has been issued permits by the agency for a disposal facility for the nonhazardous sludge, ash, or other solid waste generated by a permitted hazardous waste processing facility operated by the person.

(b) The ~~board~~ commissioner may require completion of a plan conforming to the requirements of section 115A.46, before granting review under ~~clause (b)~~ paragraph (a), clause (2). A request for supplementary review ~~shall~~ must show that the required permits for the facility have been issued

by the agency and that a political subdivision has refused to approve the establishment or operation of the facility.

Sec. 13. Minnesota Statutes 2016, section 115A.34, is amended to read:

115A.34 APPOINTMENT OF TEMPORARY BOARD MEMBERS ADVISORY BOARD.

Within 45 days of the submission of a request determined by the ~~board~~ commissioner to satisfy the requirements for review under sections 115A.32 to 115A.39, a temporary ~~members shall~~ advisory board must be ~~added to the board~~ established for the purpose of ~~the~~ a supplementary review and providing recommendations to the commissioner on a final decision. Three members ~~shall~~ must be selected by the governing body of the city or town in which the ~~chair of the board~~ commissioner determines the facility would be principally located, and three members ~~shall~~ must be selected by the governing body of the county in which the ~~chair of the board~~ commissioner determines the proposed facility would be principally located. If the proposed facility is located in unorganized territory, all six members ~~shall~~ must be selected by the governing board of the county. Temporary advisory board members ~~shall~~ must be residents of the county in which the proposed facility would be located and ~~shall~~ must be selected to represent broadly the local interests that would be directly affected by the proposed facility. At least one member appointed by the city or town ~~shall~~ must live within one mile of the proposed facility, and at least one member appointed by the county ~~shall~~ must be a resident of a city or town in which the proposed facility would be located. If the appointing authority fails to appoint temporary advisory board members in the period allowed, the governor ~~shall~~ must appoint the temporary members to represent the local interests ~~in accordance with~~ according to this section. Temporary advisory board members ~~shall~~ serve for terms lasting until the ~~board~~ commissioner has taken final action on the facility.

Sec. 14. Minnesota Statutes 2016, section 115A.35, is amended to read:

115A.35 REVIEW PROCEDURE.

The temporary advisory board ~~shall~~ must meet to ~~commence~~ begin the supplementary review within 90 days of the submission of a request determined by the ~~board~~ commissioner to satisfy the requirements for review under this section. At the meeting ~~commencing~~ to begin the review, the chair ~~shall~~, selected by members of the temporary advisory board, must recommend and the temporary advisory board must establish a scope and procedure, in accordance with the rules of the ~~board~~ commissioner, for the supplemental review and final decision by the commissioner on the proposed facility. The procedure ~~shall~~ must require the ~~board~~ commissioner to make a final decision on the proposed facility within 90 days following the commencement of review. The procedure ~~shall~~ must require the temporary advisory board to hold, at the call of the chair, at least one public hearing in the county within which the proposed facility would be located. A majority of ~~permanent~~ the members of the board ~~shall~~ must be present at the hearing. The hearing ~~shall~~ must be conducted for the board by the state Office of Administrative Hearings in a manner determined by the administrative law judge to be consistent with the expeditious completion of the proceedings as required by sections 115A.32 to 115A.39. The hearing ~~shall~~ must not be deemed a contested case under chapter 14. Notice of the hearing ~~shall~~ must be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice ~~shall~~ must describe the proposed facility, its location, the permits, and the temporary advisory board's scope and procedure for review. The notice ~~shall~~ must identify a location or locations within

the city or town and county where the permit applications, the agency permits, and the temporary advisory board's scope and procedure for review are available for review and where copies may be obtained.

Sec. 15. Minnesota Statutes 2016, section 115A.36, is amended to read:

115A.36 SCOPE AND CONTENT OF REVIEW.

In its review ~~and final decision on~~ of the proposed facility, the temporary advisory board ~~shall~~ must consider at least the following matters:

~~(a)~~ (1) the risk and effect of the proposed facility on local residents, units of government, and the local public health, safety, and welfare, including such dangers as an accidental release of wastes during transportation to the facility, water, air, and land pollution, and fire or explosion where appropriate, and the degree to which the risk or effect may be alleviated;

~~(b)~~ (2) the consistency of the proposed facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;

~~(c)~~ (3) the adverse effects of the facility on agriculture and natural resources and opportunities to mitigate or eliminate the adverse effects by additional stipulations, conditions, and requirements respecting the proposed facility at the proposed site;

~~(d)~~ (4) the need for the proposed facility, especially its contribution to abating solid and hazardous waste disposal, the availability of alternative sites, and opportunities to mitigate or eliminate need by additional and alternative waste management strategies or actions of a significantly different nature;

~~(e)~~ (5) whether, in the case of solid waste resource recovery facilities, the applicant has considered the feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed project and has compared and evaluated the costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators.

Sec. 16. Minnesota Statutes 2016, section 115A.37, is amended to read:

115A.37 FINAL DECISION OF BOARD COMMISSIONER.

Subdivision 1. **Approval or disapproval.** (a) In ~~its~~ making a final decision on the proposed facility, the ~~board~~ commissioner must consider the recommendations of the temporary advisory board and may either approve or disapprove the proposed facility at the proposed site. The ~~board's~~ commissioner's approval ~~shall~~ must embody all terms, conditions, and requirements of the permitting agencies, provided that the ~~board~~ commissioner may:

~~(a)~~ (1) finally resolve any conflicts between state agencies regarding permit terms, conditions, and requirements; and

~~(b)~~ (2) require more stringent permit terms, conditions, and requirements respecting the design, construction, operation, inspection, monitoring, and maintenance of the proposed facility at the proposed site.

(b) ~~The board's commissioner's resolution of conflicts under clause paragraph (a) shall, clause (1), must~~ be in favor of the more stringent terms, conditions, and requirements.

Subd. 2. **Decision paramount.** The decision of the ~~board commissioner~~ to approve a facility ~~shall be~~ is final and ~~shall supersede and preempt~~ supersedes and preempts requirements of state agencies and political subdivisions and the requirements of sections 473H.02 to 473H.17; except that the facility ~~shall be~~ is subject to those terms, conditions, and requirements of permitting agencies embodied in the ~~board's commissioner's~~ approval and any requirements imposed pursuant to subdivision 3. The permitting agencies ~~shall~~ must issue or amend the permits for the facility within 60 days following and in accordance with the final decision of the ~~board commissioner~~, and all permits ~~shall~~ must conform to the terms, conditions, and requirements of the ~~board's commissioner's~~ decision. No charter provision, ordinance, rule, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment, operation, expansion, continuance, or closure of the facility in accordance with the final decision of the ~~board commissioner~~ and permits issued pursuant ~~thereto~~ to the final decision.

Subd. 3. **Local requirements.** A political subdivision may impose reasonable requirements respecting the construction, inspection, operation, monitoring, and maintenance of a facility. Any such requirements ~~shall be~~ are subject to review by the agency to determine their reasonableness and consistency with the establishment and use of a facility in accordance with the final decision of the ~~board commissioner~~ and permits issued pursuant ~~thereto~~ to the final decision. The agency may approve, disapprove, suspend, modify, or reverse any such requirements. The decision of the agency ~~shall be~~ is final.

Sec. 17. Minnesota Statutes 2016, section 115A.38, subdivision 1, is amended to read:

Subdivision 1. **Reports to legislative commission.** At least 30 days before making a final decision under section 115A.37 in a review brought ~~pursuant~~ according to section 115A.33, ~~clause (4) paragraph (a), clause (4),~~ the chair of the ~~temporary advisory board or commissioner~~ may report to the legislative commission describing permit conditions or requirements being considered ~~which that~~ are not within the existing authority of the agency or the board or ~~which that~~ would require legislation or public financial assistance. In any such report, the chair of the board may request intervention in the review pursuant to subdivisions 2 and 3.

Sec. 18. Minnesota Statutes 2016, section 115A.38, subdivision 3, is amended to read:

Subd. 3. **Suspension of review process; intervention proceeding.** Following the report of the intervenor, the legislative commission may suspend the review process for an additional period not to exceed 90 days for an intervention proceeding. The intervenor ~~shall be~~ is in charge of the intervention proceeding and may call for such participation and establish such procedures as the intervenor deems necessary and appropriate to facilitate agreement. The intervenor shall keep the chair of the legislative commission informed on the progress of the intervention proceeding, particularly with respect to agreements or proposed agreements ~~which that~~ may require action or decisions not within the authority of the agency ~~or board~~, legislative action, or public financial assistance. The intervenor shall make recommendations to the commission respecting any such agreements or proposed agreements. The commission may make recommendations to the intervenor respecting any such agreement or proposed agreement. If the commission approves of an agreement, or a decision based upon an agreement, ~~which that~~ requires action or decisions not within the authority

of the agency ~~or board~~, legislative action, or public financial assistance, the commission shall cause the matter and recommendations to be submitted to the legislature for consideration.

Sec. 19. Minnesota Statutes 2016, section 115A.39, is amended to read:

115A.39 JUDICIAL REVIEW.

Judicial review with respect to conduct or decisions in supplementary reviews brought ~~pursuant~~ according to section 115A.33, clause (c) or (d) paragraph (a), clause (3) or (4), shall be as provided in section 115A.30.

Sec. 20. Minnesota Statutes 2016, section 115B.20, subdivision 6, is amended to read:

Subd. 6. **Report to legislature.** By January 31 of each odd-numbered year, the commissioner of agriculture and the agency shall submit to the senate Finance Committee, the house of representatives Ways and Means Committee, the Environment and Natural Resources Committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources Finance, ~~and the Environmental Quality Board~~ a report detailing the activities for which money has been spent pursuant to this section during the previous fiscal year.

Sec. 21. Minnesota Statutes 2016, section 116C.74, subdivision 2, is amended to read:

Subd. 2. **Violations; penalties.** (a) A person who violates section 116C.723, ~~116C.724~~, or 116C.731 is:

(1) guilty of a misdemeanor and is subject to a fine of not more than \$20,000; and

(2) subject to a civil penalty of not more than \$10,000 for each day of violation, payable to the state, and may be ordered by the court to pay to the state an additional sum as compensation for cleanup and for pollution, destruction, or impairment of the environment, including but not limited to contamination of water supplies or water aquifers.

(b) A violation of section 116C.723, ~~116C.724~~, or 116C.731 may be enjoined as provided by law in an action in the name of the state brought by the attorney general.

(c) This subdivision does not limit other remedies otherwise available to either the state or private parties for violations of section 116C.723, ~~116C.724~~, or 116C.731.

Sec. 22. Minnesota Statutes 2016, section 116C.91, is amended by adding a subdivision to read:

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

Sec. 23. Minnesota Statutes 2016, section 116C.92, is amended to read:

116C.92 COORDINATION OF ACTIVITIES.

Subdivision 1. **State coordinating organization.** ~~The Environmental Quality Board~~ Department of Agriculture is designated the state coordinating organization for state and federal regulatory activities relating to genetically engineered organisms.

Subd. 2. **Notice of nationwide action.** The ~~board~~ commissioner of natural resources ~~shall~~ must notify interested parties if a permit to release genetically engineered wild rice is issued anywhere in the United States. For purposes of this subdivision, "interested parties" means:

- (1) the state's ~~wild-rice~~ wild-rice industry;
- (2) the legislature;
- (3) federally recognized tribes within Minnesota; and
- (4) individuals who request to be notified.

Sec. 24. Minnesota Statutes 2016, section 116C.94, is amended to read:

116C.94 RULES.

Subdivision 1. **General authority.** (a) Except as provided in paragraph (b), the ~~board~~ commissioner shall adopt rules consistent with sections 116C.91 to 116C.96 that require an environmental assessment worksheet and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release. The ~~board~~ commissioner may place conditions on a permit and may deny, modify, suspend, or revoke a permit.

(b) The ~~board~~ commissioner shall adopt rules that require an environmental impact statement and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release of genetically engineered wild rice. The ~~board~~ commissioner may place conditions on the permit and may deny, modify, suspend, or revoke the permit.

Subd. 2. **Significant environmental permit.** The rules ~~shall~~ must provide that the ~~board~~ commissioner shall authorize an agency with a significant environmental permit to administer the regulatory oversight for the release of certain genetically engineered organisms.

Subd. 3. **Commercialization.** The ~~board~~ commissioner may adopt rules providing exemptions to the requirements to prepare an environmental assessment worksheet and obtain a permit for releases of genetically engineered organisms for which substantial evidence from past releases has shown to the ~~board's~~ commissioner's satisfaction that the organism can be released without jeopardizing public health or the environment.

Subd. 4. **Alternative regulatory oversight.** The ~~board~~ commissioner may adopt rules providing alternative regulatory oversight to the requirements to prepare an environmental assessment worksheet and obtain a permit for releases of genetically engineered organisms for which substantial evidence from past experience, including releases and laboratory data, has shown to the ~~board's~~ commissioner's satisfaction that the alternative oversight will protect public health and the environment.

Subd. 5. **Rules; federal oversight.** The ~~board~~ commissioner may adopt rules to implement the authorities granted ~~to it~~ in section 116C.97, subdivision 2.

Subd. 6. **Consultation.** The ~~board~~ commissioner shall consult with local units of government and with private citizens before adopting any rules.

Sec. 25. Minnesota Statutes 2016, section 116C.95, is amended to read:

116C.95 LIABILITY.

Rules established by the ~~board~~ commissioner under section 116C.94 ~~shall~~ do not affect liability under any other law or regulation for adverse effects resulting from activities relating to genetically engineered organisms.

Sec. 26. Minnesota Statutes 2016, section 116C.96, is amended to read:

116C.96 COST REIMBURSEMENT.

The ~~board~~ commissioner shall assess the proposer of a release for the necessary and reasonable costs of processing exemptions from a release permit under rules authorized by sections 116C.94, subdivisions 1, 3, and 4, and 116C.97, subdivision 2, paragraph (c), or applications for a release permit. An estimated budget ~~shall~~ must be prepared for each exemption or application by the ~~chair of the board~~ commissioner. The proposer must remit 25 percent of the estimated budget within 14 days of the receipt of the estimated budget from the ~~chair~~ commissioner. The unpaid balance ~~shall~~ must be billed in periodic installments, due upon receipt of an invoice from the ~~chair~~ commissioner. Costs in excess of the estimated budget must be certified by the ~~board~~ commissioner and upon certification constitute prima facie evidence that the expenses are reasonable and necessary and ~~shall~~ must be charged to the proposer. The proposer may review all actual costs and present objections to the ~~board~~ commissioner, ~~which~~ who may modify the cost or determine that the cost assessed is reasonable. The assessment paid by the proposer ~~shall~~ must not exceed the sum of the costs incurred. All money received under this section ~~shall~~ must be deposited in the special account established under section 116D.045, subdivision 3, ~~for the purpose of paying~~ to pay costs incurred in processing exemptions and applications.

Sec. 27. Minnesota Statutes 2016, section 116C.97, is amended to read:

116C.97 EXEMPTIONS.

Subdivision 1. **Human gene therapy.** The requirements of sections 116C.91 to 116C.96 and of the rules ~~of the board~~ adopted ~~pursuant~~ according to section 116C.94 do not apply to genetic engineering of human germ cells and human somatic cells intended for use in human gene therapy.

Subd. 2. **Federal oversight.** (a) If the ~~board~~ commissioner determines, upon ~~its~~ the commissioner's own volition or at the request of any person, that a federal program exists for regulating the release of certain genetically engineered organisms and the federal oversight under the program is adequate to protect human health or the environment, then any person may release such genetically engineered organisms after obtaining the necessary federal approval and without obtaining a state release permit or a significant environmental permit or complying with the other requirements of sections 116C.91 to 116C.96 and the rules ~~of the board~~ adopted pursuant to section 116C.94.

(b) If the ~~board~~ commissioner determines the federal program is adequate to meet only certain requirements of sections 116C.91 to 116C.96 and the rules ~~of the board~~ adopted pursuant to section 116C.94, the ~~board~~ commissioner may exempt such releases from those requirements.

(c) A person proposing a release for which a federal authorization is required may apply to the ~~board~~ commissioner for an exemption from the ~~board's~~ commissioner's permit or to a state agency

with a significant environmental permit for the proposed release for an exemption from the agency's permit. The proposer must file with the ~~board~~ commissioner or state agency a written request for exemption with a copy of the federal application and the information necessary to determine if there is a potential for significant environmental effects under chapter 116D and rules adopted under it. The ~~board~~ commissioner or state agency shall give public notice of the request in the first available issue of the ~~EQB~~ Environmental Quality Monitor and shall provide an opportunity for public comment on the environmental review process consistent with chapter 116D and rules adopted under it. The ~~board~~ commissioner or state agency may grant the exemption if the ~~board~~ commissioner or state agency finds that the federal authorization issued is adequate to meet the requirements of chapter 116D and rules adopted under it and any other requirement of the ~~board's commissioner's~~ or state agency's authority regarding the release of genetically engineered organisms. The ~~board~~ commissioner or state agency must grant or deny the exemption within 45 days after the receipt of the written request and the information required by the ~~board~~ commissioner or state agency.

(d) This subdivision does not apply to genetically engineered organisms for which an environmental impact statement is required under sections 116C.91 to 116C.96.

Sec. 28. Minnesota Statutes 2016, section 116C.99, subdivision 2, is amended to read:

Subd. 2. **Standards and criteria.** (a) ~~By October 1, 2013, The commissioner of natural resources may maintain and update model standards and criteria developed by the Environmental Quality Board, in consultation with local units of government, shall develop model standards and criteria~~ for mining, processing, and transporting silica sand. These standards and criteria may be used by local units of government in developing local ordinances. The standards and criteria shall be different for different geographic areas of the state. The unique karst conditions and landforms of southeastern Minnesota shall be considered unique when compared with the flat scoured river terraces and uniform hydrology of the Minnesota Valley. The standards and criteria developed shall reflect those differences in varying regions of the state. The standards and criteria must include:

- (1) recommendations for setbacks or buffers for mining operation and processing, including:
 - (i) any residence or residential zoning district boundary;
 - (ii) any property line or right-of-way line of any existing or proposed street or highway;
 - (iii) ordinary high-water levels of public waters;
 - (iv) bluffs;
 - (v) designated trout streams, Class 2A water as designated in the rules of the Pollution Control Agency, or any perennially flowing tributary of a designated trout stream or Class 2A water;
 - (vi) calcareous fens;
 - (vii) wellhead protection areas as defined in section 103I.005;
 - (viii) critical natural habitat acquired by the commissioner of natural resources under section 84.944; and
 - (ix) a natural resource easement paid wholly or in part by public funds;

- (2) standards for hours of operation;
- (3) groundwater and surface water quality and quantity monitoring and mitigation plan requirements, including:
 - (i) applicable groundwater and surface water appropriation permit requirements;
 - (ii) well-sealing requirements;
 - (iii) annual submission of monitoring well data; and
 - (iv) storm water runoff rate limits not to exceed two-, ten-, and 100-year storm events;
- (4) air monitoring and data submission requirements;
- (5) dust control requirements;
- (6) noise testing and mitigation plan requirements;
- (7) blast monitoring plan requirements;
- (8) lighting requirements;
- (9) inspection requirements;
- (10) containment requirements for silica sand in temporary storage to protect air and water quality;
- (11) containment requirements for chemicals used in processing;
- (12) financial assurance requirements;
- (13) road and bridge impacts and requirements; and
- (14) reclamation plan requirements as required under the rules adopted by the commissioner of natural resources.

Sec. 29. Minnesota Statutes 2016, section 116C.99, subdivision 3, is amended to read:

Subd. 3. **Silica sand technical assistance team.** ~~By October 1, 2013, the Environmental Quality Board~~ The commissioner of natural resources shall assemble a silica sand technical assistance team to provide local units of government, at their request, with assistance with ordinance development, zoning, environmental review and permitting, monitoring, or other issues arising from silica sand mining and processing operations. The technical assistance team may be chosen from representatives of the following entities: the Department of Natural Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the Department of Health, the Department of Transportation, the University of Minnesota, the Minnesota State Colleges and Universities, and federal agencies. A majority of the members must be from a state agency and all members must have expertise in one or more of the following areas: silica sand mining, hydrology, air quality, water quality, land use, or other areas related to silica sand mining.

Sec. 30. Minnesota Statutes 2016, section 116C.991, is amended to read:

116C.991 ENVIRONMENTAL REVIEW; SILICA SAND PROJECTS.

(a) Until a final rule is adopted pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (d), an environmental assessment worksheet must be prepared for any silica sand project that meets or exceeds the following thresholds, unless the project meets or exceeds the thresholds for an environmental impact statement under rules of the ~~Environmental Quality Board~~ adopted under section 116D.04, and an environmental impact statement must be prepared:

(1) excavates 20 or more acres of land to a mean depth of ten feet or more during its existence. The local government is the responsible governmental unit; or

(2) is designed to store or is capable of storing more than 7,500 tons of silica sand or has an annual throughput of more than 200,000 tons of silica sand and is not required to receive a permit from the Pollution Control Agency. The Pollution Control Agency is the responsible governmental unit.

(b) In addition to the contents required under statute and rule, an environmental assessment worksheet completed according to this section must include:

(1) a hydrogeologic investigation assessing potential groundwater and surface water effects and geologic conditions that could create an increased risk of potentially significant effects on groundwater and surface water;

(2) for a project with the potential to require a groundwater appropriation permit from the commissioner of natural resources, an assessment of the water resources available for appropriation;

(3) an air quality impact assessment that includes an assessment of the potential effects from airborne particulates and dust;

(4) a traffic impact analysis, including documentation of existing transportation systems, analysis of the potential effects of the project on transportation, and mitigation measures to eliminate or minimize adverse impacts;

(5) an assessment of compatibility of the project with other existing uses; and

(6) mitigation measures that could eliminate or minimize any adverse environmental effects for the project.

Sec. 31. Minnesota Statutes 2016, section 116C.992, is amended to read:

116C.992 TECHNICAL ASSISTANCE, ORDINANCE, AND PERMIT LIBRARY.

~~By October 1, 2013, the Environmental Quality Board, in consultation with local units of government, shall create and~~ The commissioner of natural resources must maintain a library on local government ordinances and local government permits that have been approved for regulation of silica sand projects for reference by local governments.

Sec. 32. Minnesota Statutes 2016, section 116D.04, subdivision 2a, is amended to read:

Subd. 2a. **When prepared.** (a) Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment, and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision-making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action.

~~(a)~~ (b) ~~The board~~ commissioner of the Pollution Control Agency shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section. A mandatory environmental assessment worksheet ~~shall~~ is not be required for the expansion of an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b), or the conversion of an ethanol plant to a biobutanol facility or the expansion of a biobutanol facility as defined in section 41A.15, subdivision 2d, based on the capacity of the expanded or converted facility to produce alcohol fuel, but must be required if the ethanol plant or biobutanol facility meets or exceeds thresholds of other categories of actions for which environmental assessment worksheets must be prepared. The responsible governmental unit for an ethanol plant or biobutanol facility project for which an environmental assessment worksheet is prepared ~~shall be~~ is the state agency with the greatest responsibility for supervising or approving the project as a whole.

(c) A mandatory environmental impact statement ~~shall~~ is not be required for a facility or plant located outside the seven-county metropolitan area that produces less than 125,000,000 gallons of ethanol, biobutanol, or cellulosic biofuel annually, or produces less than 400,000 tons of chemicals annually, if the facility or plant is: an ethanol plant, as defined in section 41A.09, subdivision 2a, paragraph (b); a biobutanol facility, as defined in section 41A.15, subdivision 2d; or a cellulosic biofuel facility. A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock ~~shall~~ is not be considered a fuel conversion facility as used in rules adopted under this chapter.

~~(b)~~ (d) The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet by publishing the notice in at least one newspaper of general circulation in the geographic area where the project is proposed, by posting the notice on a Web site that has been designated as the official publication site for publication of proceedings, public notices, and summaries of a political subdivision in which the project is proposed, or in any other manner determined by the ~~board~~ commissioner and shall provide copies of the environmental assessment worksheet to the ~~board and its member agencies~~ commissioner. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30-day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after the close of the comment period. The ~~board's chair~~ commissioner may extend the 15-day period by not more than 15 additional days upon the request of the responsible governmental unit.

~~(e)~~ (e) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 100 individuals who reside or own property in the state, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board commissioner. The ~~chair of the board~~ commissioner shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The ~~board's chair~~ commissioner may extend the 15-day period by not more than 15 additional days upon request of the responsible governmental unit.

~~(d)~~ (f) Except in an environmentally sensitive location where Minnesota Rules, part 4410.4300, subpart 29, item B, applies, the proposed action is exempt from environmental review under this chapter and rules ~~of the board~~ adopted under this chapter, if:

(1) the proposed action is:

(i) an animal feedlot facility with a capacity of less than 1,000 animal units; or

(ii) an expansion of an existing animal feedlot facility with a total cumulative capacity of less than 1,000 animal units;

(2) the application for the animal feedlot facility includes a written commitment by the proposer to design, construct, and operate the facility in full compliance with Pollution Control Agency feedlot rules; and

(3) the county board holds a public meeting for citizen input at least ten business days ~~prior to~~ before the Pollution Control Agency or county issuing a feedlot permit for the animal feedlot facility unless another public meeting for citizen input has been held with regard to the feedlot facility to be permitted. The exemption in this paragraph is in addition to other exemptions provided under other law and rules ~~of the board~~ adopted under this chapter.

~~(e)~~ (g) The board commissioner may, ~~prior to~~ before final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board commissioner for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.

~~(f)~~ (h) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, ~~which that~~, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content, and level of detail of the statement as well as the alternatives ~~which that~~ that are appropriate for consideration in the statement. In addition, the permits ~~which that~~ that will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board commissioner shall provide in ~~its~~ its rules adopted under this chapter for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.

~~(g)~~ (i) The responsible governmental unit shall, to the extent practicable, avoid duplication and ensure coordination between state and federal environmental review and between environmental review and environmental permitting. Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement. When an environmental impact statement is prepared for a project requiring multiple permits for which two or more agencies' decision processes include either mandatory or discretionary hearings before a hearing officer ~~prior to~~ before the agencies' decision on the permit, the agencies may, notwithstanding any law or rule to the contrary, conduct the hearings in a single consolidated hearing process if requested by the proposer. All agencies having jurisdiction over a permit that is included in the consolidated hearing shall participate. The responsible governmental unit shall establish appropriate procedures for the consolidated hearing process, including procedures to ensure that the consolidated hearing process is consistent with the applicable requirements for each permit regarding the rights and duties of parties to the hearing, and shall utilize the earliest applicable hearing procedure to initiate the hearing.

~~(h)~~ (j) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the ~~board~~ commissioner chooses to determine the adequacy of an environmental impact statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 60 days to prepare an adequate environmental impact statement.

~~(i)~~ (k) The proposer of a specific action may include in the information submitted to the responsible governmental unit a preliminary draft environmental impact statement under this section on that action for review, modification, and determination of completeness and adequacy by the responsible governmental unit. A preliminary draft environmental impact statement prepared by the project proposer and submitted to the responsible governmental unit shall identify or include as an appendix all studies and other sources of information used to substantiate the analysis contained in the preliminary draft environmental impact statement. The responsible governmental unit shall require additional studies, if needed, and obtain from the project proposer all additional studies and information necessary for the responsible governmental unit to perform its responsibility to review, modify, and determine the completeness and adequacy of the environmental impact statement.

Sec. 33. Minnesota Statutes 2016, section 116D.04, subdivision 5b, is amended to read:

Subd. 5b. **Review of environmental assessment worksheets and environmental impact statements.** By December 1, 2012, and every five years thereafter, the ~~Environmental Quality Board,~~ Pollution Control Agency, Department of Natural Resources, and Department of Transportation, after consultation with political subdivisions, shall submit to the governor and the chairs of the house of representatives and senate committees having jurisdiction over environment and natural resources a list of mandatory environmental assessment worksheet and mandatory environmental impact statement categories for which the agency or a political subdivision is designated as the responsible government unit, and for each worksheet or statement category, a document including:

(1) intended historical purposes of the category;

(2) whether projects that fall within the category are also subject to local, state, or federal permits; and

(3) an analysis of whether the mandatory category should be modified, eliminated, or unchanged based on its relationship to existing permits or other federal, state, or local laws or ordinances.

Sec. 34. Minnesota Statutes 2016, section 116D.04, subdivision 13, is amended to read:

Subd. 13. **Enforcement.** This section may be enforced by injunction, action to compel performance, or other appropriate action in the district court of the county where the violation takes place. Upon the request of the ~~board or the chair of the board~~ commissioner of the Pollution Control Agency, the attorney general may bring an action under this subdivision.

Sec. 35. Minnesota Statutes 2016, section 116D.04, subdivision 14, is amended to read:

Subd. 14. **Customized environmental assessment worksheet forms; electronic submission.**
(a) The commissioners of natural resources and the Pollution Control Agency ~~and the board~~ shall periodically review mandatory environmental assessment worksheet categories under rules adopted under this section, and other project types that are frequently subject to environmental review, and develop customized environmental assessment worksheet forms for the category or project type. The forms must include specific questions that focus on key environmental issues for the category or project type. In assessing categories and project types and developing forms, the ~~board~~ commissioners shall seek the input of governmental units that are frequently responsible for the preparation of a worksheet for the particular category or project type. The commissioners ~~and the board~~ shall also seek input from the general public on the development of customized forms. The commissioners ~~and board~~ shall make the customized forms available online.

(b) The commissioners of natural resources and the Pollution Control Agency shall allow for the electronic submission of environmental assessment worksheets and permits.

Sec. 36. Minnesota Statutes 2016, section 116D.045, subdivision 1, is amended to read:

Subdivision 1. **Assessment.** The ~~board shall~~ commissioner must by rule adopt procedures to assess the proposer of a specific action for reasonable costs of preparing, reviewing, and distributing the environmental impact statement. The costs ~~shall~~ must be determined by the responsible governmental unit ~~pursuant~~ according to the rules ~~promulgated by the board~~ adopted under this chapter.

Sec. 37. Minnesota Statutes 2016, section 116F.06, subdivision 2, is amended to read:

Subd. 2. **Agency review; sale prohibition.** The agency shall review new or revised packages or containers except when such changes involve only color, size, shape or printing. The agency shall review innovations including, but not limited to, changes in constituent materials or combinations thereof and changes in closures. When the agency determines that any new or revised package or container would constitute a solid waste disposal problem or be inconsistent with state environmental policies, the manufacturer of the product may withdraw it from further consideration until such time as the manufacturer may resubmit such product to the agency, or, the agency may, by order made after notice and hearing as provided in chapter 14, ~~and following an additional period not to exceed 30 days during which the Environmental Quality Board may review the proposed action,~~ prohibit

the sale of the package or container in the state. Any such prohibition shall continue in effect until revoked by the agency or until the last legislative day of the next following legislative session, whichever occurs first, unless extended by law. This subdivision shall not apply to any package or container sold at retail in this state prior to September 7, 1979.

Sec. 38. Minnesota Statutes 2016, section 216B.243, subdivision 7, is amended to read:

Subd. 7. Participation by other agency or political subdivision. (a) Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the commission and these determinations and certificates shall be binding upon other state departments and agencies, regional, county, and local governments and special purpose government districts except as provided in ~~sections 116C.01 to 116C.08 and~~ section 116D.04, subdivision 9.

(b) An applicant for a certificate of need shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 216G.01, subdivision 4. The commissioner may participate in any proceeding on the application and advise the commission as to whether to grant the certificate of need, and the best options for mitigating adverse impacts to agricultural lands if the certificate is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

Sec. 39. Minnesota Statutes 2016, section 216C.18, subdivision 2, is amended to read:

Subd. 2. Draft report; public meeting. ~~Prior to the preparation of~~ Before preparing a final report, the commissioner shall issue a draft report to ~~the Environmental Quality Board and~~ any person, upon request, and shall hold a public meeting. Notice of the public meeting shall be provided to each regional development commission.

Sec. 40. **TRANSFER OF AUTHORITY.**

The responsibilities of the Environmental Quality Board under Minnesota Statutes, chapter 116D, are transferred to the Pollution Control Agency as provided in Minnesota Statutes, section 15.039.

Sec. 41. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the term "Environmental Quality Board" or "board" when referring thereto to "commissioner of the Pollution Control Agency" or "commissioner" wherever it appears in Minnesota Statutes, sections 116D.04, subdivisions 2b, 4a, 7, 8, 9, 10, 11, 15, and 16; 116D.045, subdivision 2; and 116D.11, subdivisions 2 and 3.

(b) The revisor of statutes shall change the term "Environmental Quality Board Monitor" or "EQB Monitor" to "Environmental Quality Monitor" wherever it appears in Minnesota Statutes or Minnesota Rules.

(c) The revisor of statutes shall change the term "Environmental Quality Board" or "board" when referring thereto to "commissioner of natural resources" or "commissioner" wherever it appears in Minnesota Statutes, sections 116G.01 to 116G.14 and 116G.151.

(d) The revisor of statutes shall change the term "Environmental Quality Board" or "board" when referring thereto to "commissioner of agriculture" or "commissioner" wherever it appears in Minnesota Statutes, sections 40A.122 and 473H.15.

Sec. 42. **REPEALER.**

Minnesota Statutes 2016, sections 103A.403; 103A.43; 103F.614; 116C.02; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, and 6; 116C.04, subdivisions 1, 2, 3, 4, 7, 10, and 11; 116C.06; 116C.08; 116C.71, subdivisions 1c and 2a; 116C.721; 116C.722; 116C.724, subdivisions 2 and 3; 116C.91, subdivision 2; and 116G.03, subdivision 2, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, and tourism purposes; modifying fees; creating accounts; providing for disposition of certain receipts; modifying grant, contract, and lease provisions; modifying land, water, forest, and park management; modifying provisions to take, possess, and transport wildlife; modifying duties and authority; modifying buffer requirements; modifying wetland replacement and evaluation requirements; modifying permit and license requirements; modifying Petroleum Tank Release Cleanup Act; establishing a water quality improvement goal; extending ban on open air swine basins; modifying certain local authority; requiring agreements; modifying environmental review; modifying appeal provisions; eliminating Environmental Quality Board and reassigning duties; requiring reports; removing certain mandatory rulemaking requirements; requiring rulemaking; amending Minnesota Statutes 2016, sections 3.886, subdivision 4; 13.7411, subdivision 9; 18B.045; 18E.06; 84.01, by adding a subdivision; 84.027, subdivisions 14a, 14b, by adding subdivisions; 84.788, subdivision 2; 84.793, subdivision 1; 84.8031; 84.82, subdivision 2; 84.925, subdivision 1; 84.9256, subdivision 1; 84.946, subdivision 2, by adding a subdivision; 84.992, subdivisions 3, 4, 5, 6; 84D.03, subdivisions 3, 4; 84D.04, subdivision 1; 84D.05, subdivision 1; 84D.108, subdivision 2a, by adding a subdivision; 84D.11, by adding a subdivision; 85.0505, by adding a subdivision; 85.053, subdivisions 8, 10; 85.054, by adding a subdivision; 85.22, subdivision 2a; 85.32, subdivision 1; 86B.301, subdivision 2; 86B.313, subdivision 1; 86B.511; 86B.701, subdivision 3; 88.523; 89.39; 90.01, subdivisions 8, 12, by adding a subdivision; 90.041, subdivision 2; 90.051; 90.101, subdivision 2; 90.14; 90.145, subdivision 2; 90.151, subdivision 1; 90.162; 90.252; 93.25, subdivision 2; 93.47, subdivision 4; 93.50; 94.343, subdivision 9; 94.344, subdivision 9; 97A.015, subdivisions 39, 43, 45, 52, 53, by adding a subdivision; 97A.045, subdivision 10; 97A.075, subdivision 1; 97B.031, subdivision 6; 97B.071; 97B.405; 97B.431; 97B.655, subdivision 1; 97C.315, subdivision 1; 97C.355, subdivision 2a; 97C.401, subdivision 2; 97C.501, subdivision 1; 97C.515, subdivision 2; 97C.701, by adding a subdivision; 103A.204; 103B.101, subdivisions 9, 12a; 103B.151; 103B.315, subdivision 5; 103F.411, subdivision 1; 103F.48, subdivisions 1, 3, 7; 103G.005, subdivisions 10b, 10h, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.223; 103G.2242, subdivisions 1, 2; 103G.2372, subdivision 1; 103G.271, subdivisions 1, 6a, 7, by adding a subdivision; 103G.287, subdivisions 1, 4; 103G.289; 103G.411; 103H.151, subdivision 4; 103H.175, subdivision 3; 114D.25, by adding a subdivision; 115A.32; 115A.33; 115A.34; 115A.35; 115A.36; 115A.37; 115A.38, subdivisions 1, 3; 115A.39; 115B.20, subdivision 6; 115B.39, subdivision 2; 115B.40, subdivision

4; 115C.021, subdivision 1, by adding a subdivision; 116.03, subdivision 2b, by adding a subdivision; 116.07, subdivision 4d, by adding subdivisions; 116.0714; 116C.74, subdivision 2; 116C.91, by adding a subdivision; 116C.92; 116C.94; 116C.95; 116C.96; 116C.97; 116C.99, subdivisions 2, 3; 116C.991; 116C.992; 116D.04, subdivisions 2a, 5b, 10, 13, 14; 116D.045, subdivision 1; 116F.06, subdivision 2; 160.06; 216B.243, subdivision 7; 216C.18, subdivision 2; 282.018, subdivision 1; 282.04, subdivision 1; Laws 2000, chapter 486, section 4, as amended; Laws 2013, chapter 114, article 4, section 105; Laws 2016, chapter 189, article 3, sections 3, subdivision 3; 6; proposing coding for new law in Minnesota Statutes, chapters 85; 97B; 103A; 115; 116; 471; repealing Minnesota Statutes 2016, sections 84.026, subdivision 3; 97B.031, subdivision 5; 97C.701, subdivisions 1a, 6; 97C.705; 97C.711; 103A.403; 103A.43; 103F.614; 116C.02; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, 6; 116C.04, subdivisions 1, 2, 3, 4, 7, 10, 11; 116C.06; 116C.08; 116C.71, subdivisions 1c, 2a; 116C.721; 116C.722; 116C.724, subdivisions 2, 3; 116C.91, subdivision 2; 116G.03, subdivision 2; Minnesota Rules, parts 6258.0100; 6258.0200; 6258.0300; 6258.0400; 6258.0500; 6258.0600; 6258.0700, subparts 1, 4, 5; 6258.0800; 6258.0900."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Fischbach from the Committee on Higher Education Finance and Policy, to which was referred

S.F. No. 2214: A bill for an act relating to higher education; providing funding and related policy changes for the Office of Higher Education, the Minnesota State Colleges and Universities, the University of Minnesota, and other related programs; modifying state grant program calculation parameters; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101, subdivision 5a; 136A.1275; 136A.685; Laws 2014, chapter 312, article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter 298.

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

Page 2, line 1, delete "244,154,000" and insert "244,044,000" and delete "240,463,000" and insert "240,573,000"

Page 2, line 5, delete "185,284,000" and insert "185,174,000" and delete "185,284,000" and insert "185,394,000"

Page 5, line 31, delete "100,000" and insert "125,000" and delete "100,000" and insert "125,000"

Page 7, after line 16, insert:

"Subd. 26. Campus Sexual Violence Prevention and Response Coordinator

150,000

150,000

For the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for

postsecondary institutions. \$50,000 each year are for administrative funding to conduct trainings and provide materials to postsecondary institutions."

Page 9, line 33, delete "2,564,000" and insert "2,389,000" and delete "2,564,000" and insert "2,389,000"

Page 10, line 26, delete "692,536,000" and insert "700,036,000" and delete "707,316,000" and insert "699,816,000"

Page 10, line 33, delete "655,347,000" and insert "662,847,000" and delete "670,127,000" and insert "662,627,000"

Page 11, line 18, delete "10" and insert "14"

Page 13, line 31, delete the semicolon and insert "and"

Page 14, line 3, delete "639,318,000" and insert "643,318,000" and delete "647,318,000" and insert "643,318,000"

Page 14, line 6, delete "637,161,000" and insert "641,161,000" and delete "645,161,000" and insert "641,161,000"

Page 14, line 11, delete "569,723,000" and insert "573,723,000" and delete "577,723,000" and insert "573,723,000"

Page 22, line 2, delete the second comma and insert a semicolon and delete "degrees"

Page 22, delete line 3 and insert:

"(iii) degrees and certificates awarded by region, as defined in section 462.385, subdivision 1;"

Page 22, line 4, delete "(iii)" and insert "(iv)" and delete "and fee"

Page 22, delete line 5

Page 22, line 9, after the second comma, insert "and"

Page 22, lines 10 and 11, after "as" insert "a"

Page 23, delete sections 3 and 4 and insert:

"Sec. 3. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is 94 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 86 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 50 percent of the student contribution. For all student

types, the assigned family responsibility equals the modified contribution for that student minus \$158.

Sec. 4. Minnesota Statutes 2016, section 136A.1275, is amended to read:

136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS TEACHER CANDIDATE GRANTS.

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students enrolled in a Board of Teaching-approved teacher preparation program who are interested in teaching in a high needs subject area or region intend to teach in a shortage area after graduating and receiving their teaching license or belong to an underrepresented racial or ethnic group. For purposes of this section, "high needs subject area or region" means a shortage of teachers teaching in particular subject areas or a shortage of teachers teaching in particular regions of the state identified in the commissioner of education's biennial survey of districts under section 127A.05, subdivision 6, or in another Department of Education survey on teacher shortages.

(b) "Shortage area" means a license field or economic development region within Minnesota defined as a shortage area by the Department of Education using data collected for the teacher supply and demand report under section 127A.05, subdivision 6, or other surveys conducted by the Department of Education that provide indicators for teacher supply and demand.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate must:

(1) be enrolled in a Board of Teaching-approved teacher preparation program that requires at least 12 weeks of student teaching and results in the teacher candidate receiving in order to be recommended for a full professional teaching license enabling the licensee to teach in a high needs subject area or region; and

(2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;

(3) intend to teach in a shortage area or belong to an underrepresented racial or ethnic group; and

(4) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10.

Subd. 3. **Administration; repayment.** (a) The commissioner must establish an application process and other guidelines for implementing this program, including repayment responsibilities for stipend recipients who do not complete student teaching or who leave Minnesota to teach in another state during the first year after student teaching.

(b) The commissioner must determine each academic year the stipend amount up to \$7,500 based on the amount of available funding and the number of eligible applicants, and the financial need of the applicants.

(c) The percentage of the total award reserved for student teachers who identify as belonging to an underrepresented racial or ethnic group must be equal to or greater than the total percentage of students of underrepresented racial or ethnic groups as measured under section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates, the remaining amount may be awarded to student teachers in high needs subject areas or regions."

Page 24, before line 18, insert:

"Sec. 5. **[136A.1705] STUDENT LOAN DEBT COUNSELING.**

Subdivision 1. **Grant.** A program is established under the Office of Higher Education to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a postsecondary institution. The number of individuals receiving counseling may be limited to those capable of being served with available appropriations for that purpose. A goal of the counseling program is to provide two counseling sessions to at least 75 percent of borrowers receiving counseling.

The purpose of the counseling is to assist borrowers to:

- (1) understand their loan and repayment options;
- (2) manage loan repayment; and
- (3) develop a workable budget based on the borrower's full financial situation regarding income, expenses, and other debt.

Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling organization is an organization that:

- (1) has experience in providing individualized student loan counseling;
- (2) employs certified financial loan counselors; and
- (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations in the state to provide in-person counseling.

Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form created by the commissioner and on a schedule set by the commissioner. Among other provisions, the application must include a description of:

- (1) the characteristics of borrowers to be served;
- (2) the services to be provided and a timeline for implementation of the services;
- (3) how the services provided will help borrowers manage loan repayment;
- (4) specific program outcome goals and performance measures for each goal; and
- (5) how the services will be evaluated to determine whether the program goals were met.

(b) The commissioner shall select one grant recipient for a two-year award every two years, as funds are available. A grant may be renewed biennially.

Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the commissioner by January 15 of the second year of the grant award. The report must evaluate and measure the extent to which program outcome goals have been met.

(b) The grant recipient must collect, analyze, and report on participation and outcome data that enable the office to verify the outcomes.

(c) The evaluation must include information on the number of borrowers served with on-time student loan payments, the numbers who brought their loans into good standing, the number of student loan defaults, the number who developed a monthly budget plan, and other information required by the commissioner. Recipients of the counseling must be surveyed on their opinions about the usefulness of the counseling and the survey results must be included in the report.

Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award, the commissioner must submit a report to the committees in the legislature with jurisdiction over higher education finance regarding grant program outcomes.

Sec. 6. [136A.659] EXEMPTION; ACCREDITED NONPROFIT SCHOOLS.

Except as provided in this section, a regionally accredited nonprofit postsecondary institution with its primary physical location in Minnesota shall not be subject to the requirements of sections 136A.61 to 136A.71 related to approval or preapproval of degree programs within approved degrees, majors, minors, concentrations, areas of emphasis, nondegree programs within approved degrees, courses, new locations, and underlying curriculum, including modifications thereof and fees related thereto.

Regionally accredited nonprofit postsecondary institutions shall notify the commissioner of the Office of Higher Education about new locations, new majors, and new degrees within existing degrees and upon request, shall provide additional information to the commissioner of the Office of Higher Education about new locations, new majors, and new degrees. Regionally accredited nonprofit postsecondary institutions must notify the commissioner of the Office of Higher Education within 60 days of a program closing. Nothing in this section exempts a regionally accredited nonprofit postsecondary institution from the annual registration and degree approval requirements of sections 136A.61 to 136A.71."

Page 24, line 25, delete "or programs"

Page 24, after line 31, insert:

"Sec. 8. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

Subd. 5. Practice of psychology. "Practice of psychology" means the observation, description, evaluation, interpretation, or modification of human behavior by the application of psychological principles, methods, or procedures for any reason, including to prevent, eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance interpersonal relationships, work, life and developmental adjustment, personal and organizational effectiveness, behavioral health,

and mental health. The practice of psychology includes, but is not limited to, the following services, regardless of whether the provider receives payment for the services:

(1) psychological research and teaching of psychology subject to the exemptions in section 148.9075;

(2) assessment, including psychological testing and other means of evaluating personal characteristics such as intelligence, personality, abilities, interests, aptitudes, and neuropsychological functioning;

(3) a psychological report, whether written or oral, including testimony of a provider as an expert witness, concerning the characteristics of an individual or entity;

(4) psychotherapy, including but not limited to, categories such as behavioral, cognitive, emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis; and diagnosis and treatment of:

(i) mental and emotional disorder or disability;

(ii) alcohol and substance dependence or abuse;

(iii) disorders of habit or conduct;

(iv) the psychological aspects of physical illness or condition, accident, injury, or disability, including the psychological impact of medications;

(v) life adjustment issues, including work-related and bereavement issues; and

(vi) child, family, or relationship issues;

(5) psychoeducational services and treatment; and

(6) consultation and supervision.

Sec. 9. [148.9075] LICENSURE EXEMPTIONS.

Subdivision 1. **Teaching and research.** Nothing in sections 148.88 to 148.98 shall be construed to prevent a person employed in a secondary, postsecondary, or graduate institution from teaching and conducting research in psychology within an educational institution that is recognized by a regional accrediting organization or by a federal, state, county, or local government institution, agency, or research facility, so long as:

(1) the institution, agency, or facility provides appropriate oversight mechanisms to ensure public protections; and

(2) the person is not providing direct clinical services to a client or clients as defined in sections 148.88 to 148.98.

Subd. 2. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of psychology under qualified supervision by practicum psychology students, predoctoral psychology interns, or

an individual who has earned a doctoral degree in psychology and is in the process of completing their postdoctoral supervised psychological employment. "

Page 25, line 27, after "changes" insert ", including an appeals process,"

Page 25, line 31, delete "enter" and insert "complete"

Page 26, line 13, delete "shall" and insert "is requested to"

Page 26, line 23, after "schools" insert ", limited to the most recent academic year"

Page 27, line 3, delete "October 1, 2017" and insert "February 1, 2018"

Renumber the subdivisions and sections in sequence

Amend the title numbers accordingly

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Miller from the Committee on Jobs and Economic Growth Finance and Policy, to which was referred

S.F. No. 1937: A bill for an act relating to labor and industry; appropriating money for the labor standards and apprenticeship division.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

APPROPRIATIONS

Available for the Year

Ending June 30

2018

2019

Sec. 2. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>128,246,000</u>	<u>\$</u>	<u>125,175,000</u>
<u>Appropriations by Fund</u>				
	<u>2018</u>		<u>2019</u>	
<u>General</u>	<u>93,004,000</u>		<u>90,680,000</u>	
<u>Remediation</u>	<u>700,000</u>		<u>700,000</u>	
<u>Workforce</u>				
<u>Development</u>	<u>34,542,000</u>		<u>33,795,000</u>	

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

Subd. 2. Business and Community Development

<u>Appropriations by Fund</u>		
<u>General</u>	<u>44,164,000</u>	<u>41,890,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>900,000</u>	<u>900,000</u>

(a) \$12,500,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, up to three percent is for administration and monitoring of the program. Of the amount appropriated in fiscal year 2018, \$4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of \$200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731. This appropriation is available until spent. The base for this program is \$13,500,000 in fiscal year 2020 and \$13,500,000 in fiscal year 2021.

(b) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, up to three percent is for administration and monitoring of the program. This appropriation is available until spent. The base for this program is \$8,000,000 in fiscal year 2020 and \$8,000,000 in fiscal year 2021.

(c) \$1,500,000 each year is for the redevelopment program under Minnesota Statutes, section 116J.571. The base for this program is \$2,000,000 in fiscal year 2020 and \$2,000,000 in fiscal year 2021.

(d) \$3,000,000 each year is for the workforce housing grant program in Minnesota Statutes, section 116J.549. Of this amount, up to five percent is for administration and monitoring of the program. This appropriation is available until spent.

(e) \$500,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to five percent is for administration and monitoring of the program. The base for this appropriation is \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021.

(f) \$900,000 each year from the workforce development fund is for the job training incentive program under Minnesota Statutes, section 116L.42. Of this amount, up to five percent is for administration and monitoring of the program.

(g) \$1,300,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. Of this amount, \$800,000 each year is for a onetime grant to the city of Thief River Falls to support utility

extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required for the grant. Grant funds provided to the city of Thief River Falls under this paragraph are available from July 1, 2017, to June 30, 2021. Except as otherwise specified in this paragraph, this appropriation is available until spent.

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

(i) \$1,272,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(j) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(k) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(l) \$4,848,000 in fiscal year 2018 and \$4,849,000 in fiscal year 2019 is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent. The base amount for

this program is \$5,195,000 in fiscal year 2020 and \$5,195,000 in fiscal year 2021.

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

(n) \$750,000 each year is for a grant to the Neighborhood Development Center for small business programs, including, but not limited to:

(1) training, lending, and business services;

(2) model outreach and training in greater Minnesota; and

(3) development of new business incubators.

This is a onetime appropriation.

(o) \$1,175,000 each year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(p) \$125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(q) \$875,000 each year is for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(r) \$12,000 each year is from the general fund for a grant to the Upper Minnesota Film Office.

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

(t) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until spent.

(u) \$275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This is a onetime appropriation and is available until June 30, 2020.

(v) \$2,000,000 the first year is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing

health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This is a onetime appropriation and is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

Subd. 3. Broadband Development

10,250,000

10,250,000

(a) \$250,000 each year is for the Broadband Development Office.

(b) \$10,000,000 each year is for deposit in the border-to-border broadband fund account created under Minnesota Statutes, section 116J.396, and may be used for the purposes provided in Minnesota Statutes, section 116J.395. This is a onetime appropriation. This appropriation is available until spent. Of this appropriation, up to three percent is for costs incurred by the commissioner to administer Minnesota Statutes, section 116J.395. Administrative costs may include the following activities related to measuring progress toward the state's broadband goals established in Minnesota Statutes, section 237.012:

(1) collecting broadband deployment data from Minnesota providers, verifying its accuracy through on-the-ground testing, and creating state and county maps available to the public showing the availability of broadband service at various upload and download speeds throughout Minnesota;

(2) analyzing the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conducting business and residential surveys that measure broadband adoption and use in the state.

Data provided by a broadband provider under this paragraph is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this paragraph are public data under Minnesota Statutes, section 13.03.

Subd. 4. Minnesota Trade Office 2,292,000 2,292,000

(a) \$300,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979.

(b) \$180,000 each year is for the Invest Minnesota Marketing Initiative in Minnesota Statutes, section 116J.9781.

(c) \$270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

(d) \$50,000 each year is for the trade policy advisory group under Minnesota Statutes, section 116J.9661.

Subd. 5. Workforce Development

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>5,939,000</u>	<u>5,889,000</u>
<u>Workforce Development</u>	<u>23,295,000</u>	<u>22,548,000</u>

(a) \$1,539,000 each year from the general fund and \$3,104,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program. The base amount for this program is \$5,039,000 from the general fund and \$3,104,000 from the workforce development fund in fiscal year 2020 and fiscal year 2021.

(b) \$4,053,000 each year is from the workforce development fund for the

Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(c) \$1,001,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(d) \$500,000 each year is from the general fund and \$3,348,000 each year is from the workforce development fund for the youth at work competitive grant program under Minnesota Statutes, section 116L.562. 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. The base amount for this program is \$3,348,000 in fiscal year 2020 and \$3,348,000 in fiscal year 2021 from the workforce development fund, and \$750,000 in fiscal year 2020 and \$750,000 in fiscal year 2021 from the general fund.

(e) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. Of these amounts, up to five percent is for administration and monitoring of the program.

(f) \$250,000 each year is for the higher education career advising program. Of this amount, up to five percent is for administration and monitoring of the program.

(g) \$500,000 each year is for a competitive grant program for grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and

outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(h) \$750,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to fathers, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program. The base amount for this program is \$1,000,000 in fiscal year 2020 and \$1,000,000 in fiscal year 2021.

(i) \$500,000 each year is for the high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program. The base amount for this program is \$750,000 in fiscal year 2020 and \$750,000 in fiscal year 2021.

(j) \$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. This is a onetime appropriation.

(k) \$500,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. This appropriation shall be divided equally among the eligible centers.

(l) \$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 job

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. This is a onetime appropriation.

(m) \$250,000 each year is from the workforce development fund for a grant to YWCA St. Paul to provide job training services and workforce development programs and services, including job skills training and counseling. This is a onetime appropriation.

(n) \$375,000 each year is from the workforce development fund for a grant to the YWCA of Minneapolis to provide economically challenged individuals the job 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.

(o) \$1,000,000 each year is from the workforce development fund for a grant to EMERGE Community Development, in collaboration with community partners, for services targeting Minnesota communities with the highest concentrations of African and African-American joblessness, based on the most recent census tract data, to provide employment readiness training, credentialed training placement, job placement and retention services, supportive services for hard-to-employ individuals, and a general education development fast track and adult diploma program. This is a onetime appropriation.

(p) \$1,000,000 each year is from the workforce development fund for a grant to the Minneapolis Foundation for a strategic intervention program designed to target and connect program participants to meaningful,

sustainable living-wage employment. This is a onetime appropriation.

(q) \$1,297,000 in fiscal year 2018 and \$800,000 in fiscal year 2019 are from the workforce development fund for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amounts appropriated, \$800,000 each year is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and Hennepin Technical College for the Metro Transit technician training program. This is a onetime appropriation and is available until June 30, 2020.

(r) \$750,000 each year 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 by providing new job skills training to stimulate higher wages for low-income people, family support systems designed to reduce intergenerational poverty, and youth programming to promote educational advancement and career pathways. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(s) \$250,000 each year is for transfer to the Department of Education for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training in information technology;

(3) assistance in obtaining a GED;

(4) remedial training leading to enrollment in a postsecondary higher education institution;

(5) real-time work experience in information technology fields; and

(6) contextualized adult basic education.

After notification to the legislature, the commissioner may transfer this appropriation to the commissioner of education.

(t) \$600,000 each year 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.

(u) \$500,000 each year from the workforce development fund is 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. This is a onetime appropriation.

(v) \$1,100,000 each year from the workforce development fund is 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 and graduate 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 Minnesota, having fewer than 250 employees worldwide. At least 200 students must be matched in the first year and at least 250 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. 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 individuals with barriers to employment. This is a onetime appropriation.

(w) \$1,000,000 each year is 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. 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.

(x) \$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. This is a onetime appropriation.

(y) \$50,000 the first year is for a grant to Fighting Chance for behavioral intervention programs for at-risk youth. This is a onetime appropriation.

(z) \$250,000 each year is from the workforce development fund for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, non-native speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Funds may be used for program expenses, including, but not limited to, hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant funds may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation and is available until June 30, 2020.

(aa) \$230,000 in fiscal year 2018 is from the workforce development fund for a grant to

the Bois Forte Tribal Employment Rights Office (TERO) for an American Indian workforce development training pilot project. This is a onetime appropriation.

(bb) \$500,000 each year is from the workforce development fund for a grant to the Nonprofits Assistance Fund to provide capacity-building grants to small, culturally specific organizations that primarily serve historically underserved cultural communities. Grants may only be awarded to nonprofit organizations that (1) have an annual organizational budget of less than \$500,000 and (2) are culturally specific organizations that primarily serve historically underserved cultural communities. Grant funds awarded must be used for:

(1) organizational infrastructure improvement, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creation or expansion of partnerships with existing organizations that have specialized expertise in order to increase the capacity of the grantee organization to improve services for the community. Of this amount, up to five percent may be used by the Nonprofits Assistance Fund for administration costs and providing technical assistance to potential grantees. This is a onetime appropriation.

(cc) \$1,502,000 each year is from the workforce development fund for a grant to FastTRAC-Minnesota Adult Careers Pathways Program. Up to ten percent of this appropriation may be used to provide leadership, oversight, and technical assistance services for low-skilled, low-income adults.

(dd) \$100,000 each year is for the "Getting to Work" grant program. This is a onetime appropriation and is available until June 30, 2021.

(ee) \$20,000 in fiscal year 2018 is from the workforce development fund for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to other funds previously appropriated for transfer to the board. This is a onetime appropriation.

Subd. 6. Vocational Rehabilitation

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>23,986,000</u>	<u>23,986,000</u>
<u>Workforce Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

(a) \$8,300,000 each year from the general fund and \$2,500,000 from the workforce development fund are for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A. The base for this program is \$10,800,000 from the general fund in fiscal year 2020 and fiscal year 2021.

(b) \$3,011,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) \$6,830,000 each year from the workforce development fund and \$6,495,000 each year from the general fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. The base for this program is \$7,620,000 from the general fund and \$6,830,000 from the workforce development fund in fiscal year 2020 and fiscal year 2021.

(d) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for

employment services for persons, including transition-aged youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year. Of this amount, up to five percent is for administration and monitoring of the program.

(e) \$2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

Subd. 7. Services for the Blind

6,425,000

6,425,000

\$6,425,000 each year is for state services for the blind. Of this amount, \$500,000 each year is 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. The base for this program is \$5,925,000 in fiscal year 2020 and \$5,925,000 in fiscal year 2021.

Subd. 8. General Support Services

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>3,573,000</u>	<u>3,573,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>17,000</u>	<u>17,000</u>

(a) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.4011.

(b) \$150,000 each year is for the cost-of-living study required under Minnesota Statutes, section 116J.013.

(c) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

(d) \$500,000 each year is for the capacity-building grant program to assist nonprofit organizations offering or seeking to offer workforce development and economic development programming. Of this amount, up to five percent is for administration and monitoring of the program.

Subd. 9. Reporting

(a) An entity receiving a direct appropriation in this article that received a direct appropriation in Laws 2016, chapter 189, article 12, is subject to the requirements for grants to individually specified recipients under Laws 2016, chapter 189, article 12, section 11.

(b) Any recipient of a direct appropriation from the workforce development fund for adult workforce-related programs under subdivision 5 not subject to the requirements of paragraph (a) is subject to the reporting requirements under Minnesota Statutes, section 116L.98.

Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>28,184,000</u>	<u>\$</u>	<u>28,484,000</u>
	<u>Appropriations by Fund</u>			
	<u>2018</u>		<u>2019</u>	
<u>General</u>	<u>1,202,000</u>		<u>1,202,000</u>	
<u>Workers'</u>				
<u>Compensation</u>	<u>24,975,000</u>		<u>24,975,000</u>	
<u>Workforce</u>				
<u>Development</u>	<u>2,007,000</u>		<u>2,307,000</u>	

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

<u>Subd. 2. Workers' Compensation</u>	<u>14,782,000</u>	<u>14,782,000</u>
--	--------------------------	--------------------------

(a) This appropriation is from the workers' compensation fund.

(b) \$3,000,000 each year is for workers' compensation system upgrades. This appropriation is available until June 30, 2021. The base appropriation for fiscal year 2020 and beyond is \$0.

(c) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

Subd. 3. Labor Standards and Apprenticeship

	<u>Appropriations by Fund</u>	
<u>General</u>	<u>1,202,000</u>	<u>1,202,000</u>
<u>Workforce Development</u>	<u>1,507,000</u>	<u>1,507,000</u>

(a) \$1,202,000 in fiscal year 2018 and \$1,202,000 in fiscal year 2019 are from the general fund for the labor standards and apprenticeship program.

(b) \$1,057,000 in fiscal year 2018 and \$1,057,000 in fiscal year 2019 are from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(c) \$150,000 each year from the workforce development fund is for prevailing wage enforcement.

(d) \$100,000 in fiscal year 2018 is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(e) \$200,000 each year is from the workforce development fund for a grant to the

Construction Careers Foundation Inc. for the Helmets to Hardhats Minnesota Initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, Reserve, active duty military members, and veteran's participation in apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

Subd. 4. Workplace Safety

4,154,000

4,154,000

This appropriation is from the workers' compensation fund.

Subd. 5. General Support

Appropriations by Fund

<u>Workers'</u>		
<u>Compensation</u>	<u>6,039,000</u>	<u>6,039,000</u>
<u>Workforce</u>		
<u>Development</u>	<u>500,000</u>	<u>800,000</u>

(a) \$300,000 each year is from the workforce development fund for the PIPELINE program.

(b) \$200,000 in fiscal year 2018 is from the workforce development fund for the commissioner of labor and industry to convene and collaborate with stakeholders as provided under Minnesota Statutes, section 175.46, subdivision 3, and to develop youth skills training competencies for approved occupations. This is a onetime appropriation.

(c) \$500,000 in fiscal year 2019 is from the workforce development fund to administer the youth skills training program under Minnesota Statutes, section 175.46. The commissioner shall award up to five grants each year to local partnerships located

throughout the state, not to exceed \$100,000 per local partnership grant. The commissioner may use a portion of this appropriation for administration of the grant program. The base amount for this program is \$500,000 each year beginning in fiscal year 2020.

Sec. 4. <u>BUREAU OF MEDIATION SERVICES</u>	<u>\$</u>	<u>2,247,000</u>	<u>\$</u>	<u>2,247,000</u>
--	------------------	-------------------------	------------------	-------------------------

(a) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) \$394,000 each year is for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90.

Sec. 5. <u>PUBLIC EMPLOYMENT RELATIONS BOARD</u>	<u>\$</u>	<u>125,000</u>	<u>\$</u>	<u>125,000</u>
---	------------------	-----------------------	------------------	-----------------------

Sec. 6. <u>WORKERS' COMPENSATION COURT OF APPEALS</u>	<u>\$</u>	<u>1,913,000</u>	<u>\$</u>	<u>1,913,000</u>
--	------------------	-------------------------	------------------	-------------------------

This appropriation is from the workers' compensation fund.

Sec. 7. Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. Workers' Compensation	15,226,000	17,782,000
---------------------------------------	------------	------------

This appropriation is from the workers' compensation fund.

\$4,000,000 in fiscal year 2016 and \$6,000,000 in fiscal year 2017 are for workers' compensation system upgrades and are available through June 30, 2021. The base appropriation for this purpose is \$3,000,000 in fiscal year 2018 and \$3,000,000 in fiscal year 2019. The base appropriation for fiscal year 2020 and beyond is zero.

This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

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

ARTICLE 2

DEPARTMENT OF LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2016, section 175.45, is amended to read:

175.45 ~~COMPETENCY STANDARDS FOR DUAL TRAINING.~~

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards for dual training, and provide technical assistance to develop dual-training programs. ~~The goal of dual training is to provide employees of an employer with training to acquire competencies that the employer requires.~~ The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, and agriculture. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Subd. 2. ~~**Definition; competency standards**~~ **Definitions.** For purposes of this section, the following terms have the meanings given them:

(1) "competency standards" means the specific knowledge and skills necessary for a particular occupation; and

(2) "dual-training program" means an employment-based earn-as-you-learn program where the trainee is employed by a participating employer and receives structured on-the-job training and technical instruction in accordance with the competency standards.

Subd. 3. **Competency standards identification process.** In identifying competency standards, the commissioner shall consult with the commissioner of the Office of Higher Education and the commissioner of employment and economic development and convene recognized industry experts, representative employers, higher education institutions, representatives of the disabled community, and representatives of labor to assist in identifying credible competency standards. Competency standards must be consistent with, to the extent available and practical, recognized international and national standards.

Subd. 4. **Duties.** The commissioner shall:

- (1) convene industry representatives to identify, develop, and implement dual-training programs;
- (2) identify competency standards for ~~entry-level~~ entry-level and higher skill levels;
- (~~2~~) (3) verify the competency standards and skill levels and their transferability by subject matter expert representatives of each respective industry;
- (~~3~~) (4) develop models for Minnesota educational institutions to engage in providing education and training to meet the competency standards established;
- (~~4~~) (5) encourage participation by employers and labor in the competency standard identification process for occupations in their industry; ~~and~~
- (~~5~~) (6) align ~~dual-training competency standards~~ dual-training programs with other workforce initiatives; and
- (7) provide technical assistance to develop dual-training programs.

Subd. 5. **Notification.** The commissioner must communicate identified competency standards to the commissioner of the Office of Higher Education for the purpose of the ~~dual-training~~ dual-training competency grant program under section 136A.246. The commissioner of labor and industry shall maintain the competency standards on the department's Web site.

Sec. 2. [175.46] YOUTH SKILLS TRAINING PROGRAM.

Subdivision 1. **Program established; grants authorized.** The commissioner shall approve youth skills training programs established for the purpose of providing work-based skills training for student learners ages 16 and older. The commissioner shall award grants to local partnerships for the implementation and coordination of local youth skills training programs as provided in this section.

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

(b) "School district" means a school district or charter school.

(c) "Local partnership" means a school district, nonpublic school, intermediate school district, or postsecondary institution, in partnership with other school districts, nonpublic schools, intermediate school districts, postsecondary institutions, workforce development authorities, economic development authorities, nonprofit organizations, labor unions, or individuals who have an agreement with one or more local employers to be responsible for implementing and coordinating a local youth skills training program.

(d) "Student learner" means a student who is both enrolled in a course of study at a public or nonpublic school to obtain related instruction for academic credit and is employed under a written agreement to obtain on-the-job skills training under a youth skills training program approved under this section.

Subd. 3. **Duties.** (a) The commissioner shall:

(1) approve youth skills training programs in high-growth, high-demand occupations that provide:

(i) that the work of the student learner in the occupations declared particularly hazardous shall be incidental to the training;

(ii) that the work shall be intermittent and for short periods of time, and under the direct and close supervision of a qualified and experienced person;

(iii) that safety instruction shall be provided to the student learner and may be given by the school and correlated by the employer with on-the-job training;

(iv) a schedule of organized and progressive work processes to be performed on the job;

(v) a schedule of wage rates in compliance with section 177.24; and

(vi) whether the student learner will obtain secondary school academic credit, postsecondary credit, or both, for the training program;

(2) approve occupations and maintain a list of approved occupations for programs under this section;

(3) issue requests for proposals for grants;

(4) work with individuals representing industry and labor to develop new youth skills training programs;

(5) develop model program guides;

(6) monitor youth skills training programs;

(7) provide technical assistance to local partnership grantees;

(8) work with providers to identify paths for receiving postsecondary credit for participation in the youth skills training program; and

(9) approve other activities as necessary to implement the program.

(b) The commissioner shall collaborate with stakeholders, including, but not limited to, representatives of secondary school institutions, career and technical education instructors, postsecondary institutions, businesses, and labor, in developing youth skills training programs, and identifying and approving occupations and competencies for youth skills training programs.

Subd. 4. **Training agreement.** Each student learner shall sign a written training agreement on a form prescribed by the commissioner. Each agreement shall contain the name of the student learner, and be signed by the employer, the school coordinator or administrator, and the student learner, or if the student learner is a minor, by the student's parent or legal guardian. Copies of each agreement shall be kept on file by both the school and the employer.

Subd. 5. **Program approval.** The commissioner may grant exemptions from the provisions of chapter 181A for student learners participating in youth skills training programs approved by the

commissioner under this section. The approval of a youth skills training program will be reviewed annually. The approval of a youth skills training program may be revoked at any time if the commissioner finds that:

- (1) all provisions of subdivision 3 have not been met in the previous year; or
- (2) reasonable precautions have not been observed for the safety of minors.

The commissioner shall maintain and annually update a list of occupations and tasks suitable for student learners in compliance with federal law.

Subd. 6. **Interactions with education finance.** (a) For the purpose of computing state aids for the enrolling school district, the hours a student learner participates in a youth skills training program under this section must be counted in the student's hours of average daily membership under section 126C.05.

(b) Educational expenses for a participating student learner must be included in the enrolling district's career and technical revenue as provided under section 124D.4531.

Subd. 7. **Academic credit.** A school district may grant academic credit to student learners participating in youth skills training programs under this section in accordance with local requirements.

Subd. 8. **Postsecondary credit.** A postsecondary institution may award postsecondary credit to a student learner who successfully completes a youth skills training program.

Subd. 9. **Work-based learning program.** A youth skills training program shall qualify as a work-based learning program if it meets requirements for a career and technical education program and is supervised by a qualified teacher with appropriate licensure for a work-based learning teacher-coordinator.

Subd. 10. **School coordinator.** Unless otherwise required for a work-based learning program, a youth skills training program may be supervised by a qualified teacher or by an administrator as determined by the school district.

Subd. 11. **Other apprenticeship programs.** (a) This section shall not affect programs under section 124D.47.

(b) A registered apprenticeship program governed by chapter 178 may grant credit toward the completion of a registered apprenticeship for the successful completion of a youth skills training program under this section.

Subd. 12. **Grant applications.** (a) Applications for grants must be made to the commissioner on a form provided by the commissioner.

(b) A local partnership may apply for a grant and shall include in its grant application:

(1) the identity of each school district, public agency, nonprofit organization, or individual who is a participant in the local partnership;

(2) the identity of each employer who is a participant in the local partnership and the amount of matching funds provided by each employer, if any;

(3) a plan to accomplish the implementation and coordination of activities specified in this subdivision; and

(4) the identity of a fiscal agent responsible for receiving, managing, and accounting for the grant.

Subd. 13. **Grant awards.** (a) A local partnership awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) recruiting additional employers to provide on-the-job training and supervision for student learners and providing technical assistance to those employers;

(2) recruiting students to participate in the local youth skills training program and monitoring the progress of student learners participating in the program and monitoring program outcomes;

(3) coordinating youth skills training activities within participating school districts and among participating school districts, postsecondary institutions, and employers;

(4) coordinating academic, vocational and occupational learning, school-based and work-based learning, and secondary and postsecondary education for participants in the local youth skills training program;

(5) coordinating transportation for student learners participating in the local youth skills training program; and

(6) any other implementation or coordination activity that the commissioner may direct or permit the local partnership to perform.

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

Subd. 14. **Outcomes.** The following outcomes are expected of a local youth skills training program:

(1) at least 80 percent of the student learners who participate in a youth skills training program receive a high school diploma when eligible upon completion of the training program; and

(2) at least 60 percent of the student learners who participate in a youth skills training program receive a recognized credential upon completion of the training program.

Subd. 15. **Reporting.** (a) By February 1, 2019, and annually thereafter, the commissioner shall report on the activity and outcomes of the program for the preceding fiscal year to the chairs of the legislative committees with jurisdiction over jobs and economic growth policy and finance. At a minimum, the report must include:

(1) the number of student learners who commenced the training program and the number who completed the training program; and

(2) recommendations, if any, for changes to the program.

(b) The initial report shall include a detailed description of the differences between the state and federal systems in child safety standards.

Sec. 3. Minnesota Statutes 2016, section 326B.092, subdivision 7, is amended to read:

Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license is the base license fee plus any applicable board fee, continuing education fee, and contractor recovery fund fee and additional assessment, as set forth in this subdivision.

(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number.

(c) The base license fee shall depend on whether the license is classified as an entry level, master, journeyman, or business license, and on the license duration. The base license fee shall be:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$20	\$40
Master	\$40	\$80
Business		\$180

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is one year; and \$20 if the renewal license duration is two years.

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if the license duration is two years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

(g) Notwithstanding the fee amounts described in paragraphs (c) to (f), for the period July 1, ~~2015~~ 2017, through ~~June 30, 2017~~ September 30, 2021, the following fees apply:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
		\$35
Journeyworker	\$15	<u>\$30</u>

		\$75
Master	\$30	<u>\$60</u>
		\$160
Business		<u>\$120</u>

If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be \$5.

Sec. 4. **[326B.108] PLACES OF PUBLIC ACCOMMODATION SUBJECT TO CODE.**

Subdivision 1. **Definition.** For purposes of this section, "place of public accommodation" means a publicly or privately owned facility that is designed for occupancy by 200 or more people and includes a sports or entertainment arena, stadium, theater, community or convention hall, special event center, indoor amusement facility or water park, or swimming pool.

Subd. 2. **Application.** Construction, additions, and alterations to a place of public accommodation must be designed and constructed to comply with the State Building Code.

Subd. 3. **Enforcement.** In a municipality that has not adopted the code by ordinance under section 326B.121, subdivision 2, the commissioner shall enforce this section in accordance with section 326B.107, subdivision 1.

Sec. 5. Minnesota Statutes 2016, section 326B.153, subdivision 1, is amended to read:

Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section ~~326B.106~~ 326B.107 include:

- (1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and
- (2) the surcharge required by section 326B.148.

(b) The total valuation and fee schedule is:

- (1) \$1 to \$500, ~~\$29.50~~ \$21;
- (2) \$501 to \$2,000, ~~\$28~~ \$21 for the first \$500 plus ~~\$3.70~~ \$2.75 for each additional \$100 or fraction thereof, to and including \$2,000;
- (3) \$2,001 to \$25,000, ~~\$83.50~~ \$62.25 for the first \$2,000 plus ~~\$16.55~~ \$12.50 for each additional \$1,000 or fraction thereof, to and including \$25,000;
- (4) \$25,001 to \$50,000, ~~\$464.15~~ \$349.75 for the first \$25,000 plus ~~\$12~~ \$9 for each additional \$1,000 or fraction thereof, to and including \$50,000;
- (5) \$50,001 to \$100,000, ~~\$764.15~~ \$574.75 for the first \$50,000 plus ~~\$8.45~~ \$6.25 for each additional \$1,000 or fraction thereof, to and including \$100,000;
- (6) \$100,001 to \$500,000, ~~\$1,186.65~~ \$887.25 for the first \$100,000 plus ~~\$6.75~~ \$5 for each additional \$1,000 or fraction thereof, to and including \$500,000;

(7) \$500,001 to \$1,000,000, ~~\$3,886.65~~ \$2,887.25 for the first \$500,000 plus ~~\$5.50~~ \$4.25 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

(8) \$1,000,001 and up, ~~\$6,636.65~~ \$5,012.25 for the first \$1,000,000 plus ~~\$4.50~~ \$2.75 for each additional \$1,000 or fraction thereof.

(c) Other inspections and fees are:

(1) inspections outside of normal business hours (minimum charge two hours), \$63.25 per hour;

(2) reinspection fees, \$63.25 per hour;

(3) inspections for which no fee is specifically indicated (minimum charge one-half hour), \$63.25 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans (minimum charge one-half hour), \$63.25 per hour.

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

EFFECTIVE DATE. Paragraph (a) is effective July 1, 2017. Paragraph (b) is effective July 1, 2017, and the amendments to it expire October 1, 2021.

Sec. 6. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to read:

Subd. 16. Wind electric systems. (a) The inspection fee for the installation of a wind turbine is:

(1) 0 watts to and including 100,000 watts, \$80;

(2) 100,001 watts to and including 500,000 watts, \$105;

(3) 500,001 watts to and including 1,000,000 watts, \$120;

(4) 1,000,001 watts to and including 1,500,000 watts, \$125;

(5) 1,500,001 watts to and including 2,000,000 watts, \$130;

(6) 2,000,001 watts to and including 3,000,000 watts, \$145; and

(7) 3,000,001 watts and larger, \$160.

(b) For the purpose of paragraph (a), the watt rating is the total estimated alternating current energy output of one individual wind turbine.

Sec. 7. Minnesota Statutes 2016, section 326B.37, is amended by adding a subdivision to read:

Subd. 17. Solar photovoltaic systems. (a) The inspection fee for the installation of a solar photovoltaic system is:

- (1) 0 watts to and including 5,000 watts, \$60;
 - (2) 5,001 watts to and including 10,000 watts, \$100;
 - (3) 10,001 watts to and including 20,000 watts, \$150;
 - (4) 20,001 watts to and including 30,000 watts, \$200;
 - (5) 30,001 watts to and including 40,000 watts, \$250;
 - (6) 40,001 watts to and including 1,000,000 watts, \$250, and \$25 for each additional 10,000 watts over 40,000 watts;
 - (7) 1,000,000 watts to 5,000,000 watts, \$2,650, and \$15 for each additional 10,000 watts over 1,000,000 watts; and
 - (8) 5,000,000 watts and larger, \$8,650, and \$10 for each additional 10,000 watts over 5,000,000 watts.
- (b) For the purpose of paragraph (a), the watt rating is the total estimated alternating current energy output of the solar photovoltaic system.

Sec. 8. Minnesota Statutes 2016, section 326B.435, subdivision 2, is amended to read:

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

- (1) elect its chair, vice-chair, and secretary;
- (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;
- (3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code amendments thereto. The Plumbing Code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the Plumbing Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);
- (4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;
- (5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, registered unlicensed individuals, water conditioning ~~contractors~~ masters, and water conditioning ~~installers~~ journeymen, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;

(8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(9) approve license reciprocity agreements;

(10) select from its members individuals to serve on any other state advisory council, board, or committee; and

(11) recommend the fees for licenses, registrations, and certifications.

Except for the powers granted to the Plumbing Board, the Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 9. Minnesota Statutes 2016, section 326B.50, subdivision 3, is amended to read:

Subd. 3. **Water conditioning installation.** "Water conditioning installation" means the installation of appliances, appurtenances, and fixtures designed to treat water so as to alter, modify, add or remove mineral, chemical or bacterial content, said installation to be made in a water distribution system serving:

(1) a single family residential unit, which has been initially established by a licensed plumber, and does not involve a direct connection without an air gap to a soil or waste pipe; or

(2) a multifamily or nonresidential building, where the plumbing installation has been initially established by a licensed plumber. Isolation valves shall be required for all water conditioning installations and shall be readily accessible. Water conditioning installation does not include:

(i) a valve that allows isolation of the water conditioning installation;

(ii) piping greater than two-inch nominal pipe size; or

(iii) a direct connection without an air gap to a soil or waste pipe.

Sec. 10. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision to read:

Subd. 5. **Direct supervision.** The term "direct supervision," with respect to direct supervision of a registered unlicensed individual, means that:

(1) at all times while the registered unlicensed individual is performing water conditioning installation work, a direct supervisor is present at the location where the registered unlicensed individual is working;

(2) the direct supervisor is physically present and immediately available to the registered unlicensed individual at all times for assistance and direction;

(3) any form of electronic supervision does not meet the requirement of being physically present;

(4) the direct supervisor reviews the water conditioning installation work performed by the registered unlicensed individual before the water conditioning installation is operated; and

(5) the direct supervisor determines that all water conditioning installation work performed by the registered unlicensed individual is performed in compliance with sections 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under section 326B.082.

Sec. 11. Minnesota Statutes 2016, section 326B.50, is amended by adding a subdivision to read:

Subd. 6. **Direct supervisor.** "Direct supervisor" means a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman responsible for providing direct supervision of a registered unlicensed individual.

Sec. 12. Minnesota Statutes 2016, section 326B.55, subdivision 2, is amended to read:

Subd. 2. **Qualifications for licensing.** (a) A water conditioning master license shall be issued only to an individual who has demonstrated skill in planning, superintending, ~~and~~ servicing, and installing water conditioning installations, and has successfully passed the examination for water conditioning masters. A water conditioning journeyman license shall only be issued to an individual other than a water conditioning master who has demonstrated practical knowledge of water conditioning installation, and has successfully passed the examination for water conditioning journeymen. A water conditioning journeyman must successfully pass the examination for water conditioning masters before being licensed as a water conditioning master.

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor,

or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water conditioning journeyman license, or a water conditioning contractor license shall be accompanied by all fees required by section 326B.092.

Sec. 13. Minnesota Statutes 2016, section 326B.55, subdivision 4, is amended to read:

Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under section 326B.47 is authorized to assist in water conditioning installation and water conditioning servicing only while under the direct supervision of a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman. The master or journeyman is responsible for ensuring that all water conditioning work performed by the plumber's apprentice complies with the plumbing code and rules adopted under sections 326B.50 to 326B.59. The supervising master or journeyman must be licensed and must be employed by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform water conditioning work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(b) Water conditioning contractors employing plumber's apprentices to perform water conditioning work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing water conditioning work, and shall permit the department to examine and copy all such records.

Sec. 14. **[326B.555] REGISTERED UNLICENSED INDIVIDUALS.**

Subdivision 1. **Registration; supervision; records.** (a) All unlicensed individuals engaged in water conditioning installation must be registered under subdivision 3.

(b) A registered unlicensed individual is authorized to assist in water conditioning installations in a single family residential unit only when a master plumber, journeyman plumber, restricted master plumber, restricted journeyman plumber, water conditioning master, or water conditioning journeyman is available and responsible for ensuring that all water conditioning installation work performed by the unlicensed individual complies with the applicable provisions of the plumbing and water conditioning codes and rules adopted pursuant to such codes. For all other water

conditioning installation work, the registered unlicensed individual must be under the direct supervision of a responsible licensed water conditioning master.

(c) Water conditioning contractors employing registered unlicensed individuals to perform water conditioning installation work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing water conditioning installations, and shall permit the department to examine and copy all such records.

Subd. 2. **Journeyman exam.** A registered unlicensed individual who has completed 875 hours of practical water conditioning installation, servicing, and training is eligible to take the water conditioning journeyman examination. Up to 100 hours of practical water conditioning installation and servicing experience prior to becoming a registered unlicensed individual may be applied to the practical experience requirement. However, none of this practical experience may be applied if the unlicensed individual did not have any practical experience in the 12-month period immediately prior to becoming a registered unlicensed individual.

Subd. 3. **Registration, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner an application form provided by the commissioner, with all fees required by section 326B.58. A completed application form must state the date, the individual's age, schooling, previous experience and employer, and other information required by the commissioner. The plumbing board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year.

Sec. 15. Minnesota Statutes 2016, section 326B.89, subdivision 1, is amended to read:

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

(b) "Gross annual receipts" means the total amount derived from residential contracting or residential remodeling activities, regardless of where the activities are performed, and must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages intended for storage of vehicles associated with the residential real estate.

(e) "Fund" means the contractor recovery fund.

(f) "Owner" when used in connection with real property, means a person who has any legal or equitable interest in real property and includes a condominium or townhome association that owns common property located in a condominium building or townhome building or an associated detached garage. Owner does not include any real estate developer or any owner using, or intending to use, the property for a business purpose and not as owner-occupied residential real estate.

Sec. 16. Minnesota Statutes 2016, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than ~~\$150,000~~ \$300,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

Sec. 17. **REPEALER.**

Minnesota Statutes 2016, section 326B.89, subdivision 14, is repealed.

ARTICLE 3

DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2016, section 116J.395, subdivision 7, is amended to read:

Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50 percent of the total cost of a project in an underserved area.

(b) Grants awarded for projects in unserved areas require a 35 percent match.

(c) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~ \$3,000,000.

Sec. 2. Minnesota Statutes 2016, section 116J.8731, subdivision 2, is amended to read:

Subd. 2. **Administration.** (a) Except as otherwise provided in this section, the commissioner shall administer the fund as part of the Small Cities Development Block Grant Program and funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program. All units of general purpose local government are eligible applicants for Minnesota investment funds. The commissioner may provide forgivable loans directly to a private enterprise and not require a local community or recognized Indian tribal government application other than a resolution supporting the assistance.

(b) Eligible applicants for the state-funded portion of the fund also include development authorities as defined in section 116J.552, subdivision 4, provided that the governing body of the municipality approves, by resolution, the application of the development authority. A local government entity may receive more than one award in a fiscal year. The commissioner may also make funds available within the department for eligible expenditures under subdivision 3, clause (2).

(c) A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.

Sec. 3. Minnesota Statutes 2016, section 116J.8731, is amended by adding a subdivision to read:

Subd. 10. **Transfer.** The commissioner may transfer up to \$2,000,000 of a fiscal year's appropriation between the Minnesota job creation fund program and Minnesota investment fund to meet business demand.

Sec. 4. Minnesota Statutes 2016, section 116J.8748, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(2) has expected work hours of at least 2,080 hours annually.

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

~~(h)~~ (j) "Retained job" means a full-time position:

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

(2) has expected work hours of at least 2,080 hours annually.

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

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

Sec. 5. Minnesota Statutes 2016, section 116J.8748, subdivision 3, is amended to read:

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

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

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

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

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

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

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 200 employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for projects located outside the metropolitan area;

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

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

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

- (1) the economic outlook of the industry in which the business engages;
- (2) the projected sales of the business that will be generated from outside the state of Minnesota;
- (3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;
- (4) whether the business activity would occur without financial assistance;
- (5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;
- (6) whether the business has viable location options outside Minnesota;
- (7) the effect of financial assistance on industry competitors in Minnesota;
- (8) financial contributions to the project made by local governments; and
- (9) any other criteria the commissioner deems necessary.

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

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

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

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

Sec. 6. Minnesota Statutes 2016, section 116J.8748, subdivision 4, is amended to read:

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

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

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

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

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and 200 new employees in the metropolitan area as defined in section 200.02, subdivision 24, and 75 new employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates are allowable for projects that have at least \$25,000,000 in capital investment and 200 retained employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for projects located outside the metropolitan area; and

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

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4).

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

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

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

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

Sec. 7. Minnesota Statutes 2016, section 116J.8748, subdivision 6, is amended to read:

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

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

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

Sec. 8. Minnesota Statutes 2016, section 116L.17, subdivision 1, is amended to read:

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

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

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

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

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

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

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

~~(5) MS 2011 Supp [Expired, 2011 c 84 art 3 s 1]~~

~~(6) (5)~~ is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

~~(7) (6)~~ is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; or

~~(8) (7)~~ is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

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

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

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

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

Sec. 9. Minnesota Statutes 2016, section 116L.665, is amended to read:

116L.665 WORKFORCE DEVELOPMENT COUNCIL BOARD.

Subdivision 1. **Creation.** The governor's Workforce Development Council is created under the authority of the Workforce Investment Act, United States Code, title 29, section 2801, et seq. Local

workforce development councils are authorized under the Workforce Investment Act. The governor's Workforce Development Council serves as Minnesota's Workforce Investment Board for the purposes of the federal Workforce Investment Act. Board serves as Minnesota's state workforce development board for the purposes of the federal Workforce Innovation and Opportunity Act, United States Code, title 29, section 3111, and must perform the duties under that act.

Subd. 2. **Membership.** (a) ~~The governor's Workforce Development Council Board is composed of 34 members appointed by the governor. The members may be removed pursuant to section 15.059. In selecting the representatives of the council board, the governor shall ensure that 50 percent a majority of the members come from nominations provided by local workforce councils. Local education representatives shall come from nominations provided by local education to employment partnerships. The 31 members shall represent the following sectors: the private sector, pursuant to United States Code, title 29, section 3111. For the public members, membership terms, compensation of members, and removal of members are governed by section 15.059, subdivisions 2, 3, and 4. To the extent practicable, the membership should be balanced as to gender and ethnic diversity.~~

~~(a) State agencies: the following individuals shall serve on the council:~~

~~(1) commissioner of the Minnesota Department of Employment and Economic Development;~~

~~(2) commissioner of the Minnesota Department of Education; and~~

~~(3) commissioner of the Minnesota Department of Human Services.~~

~~(b) Business and industry: six individuals shall represent the business and industry sectors of Minnesota.~~

~~(c) Organized labor: six individuals shall represent labor organizations of Minnesota.~~

~~(d) Community-based organizations: four individuals shall represent community-based organizations of Minnesota. Community-based organizations are defined by the Workforce Investment Act as private nonprofit organizations that are representative of communities or significant segments of communities and that have demonstrated expertise and effectiveness in the field of workforce investment and may include entities that provide job training services, serve youth, serve individuals with disabilities, serve displaced homemakers, union-related organizations, employer-related nonprofit organizations, and organizations serving nonreservation Indians and tribal governments.~~

~~(e) Education: six individuals shall represent the education sector of Minnesota as follows:~~

~~(1) one individual shall represent local public secondary education;~~

~~(2) one individual shall have expertise in design and implementation of school-based service-learning;~~

~~(3) one individual shall represent leadership of the University of Minnesota;~~

~~(4) one individual shall represent secondary/postsecondary vocational institutions;~~

~~(5) the chancellor of the Board of Trustees of the Minnesota State Colleges and Universities; and~~

~~(6) one individual shall have expertise in agricultural education.~~

~~(f) Other: two individuals shall represent other constituencies including:~~

~~(1) units of local government; and~~

~~(2) applicable state or local programs.~~

~~The speaker and the minority leader of the house of representatives shall each appoint a representative to serve as an ex officio member of the council. The majority and minority leaders of the senate shall each appoint a senator to serve as an ex officio member of the council.~~

~~The governor shall appoint one individual representing public libraries, one individual with expertise in assisting women in obtaining employment in high wage, high demand, nontraditional occupations, and one individual representing adult basic education programs to serve as nonvoting advisors to the council.~~

(b) No person shall serve as a member of more than one category described in paragraph (a).

(c) Voting members shall consist of the following:

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

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

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

(4) a majority of the members must be representatives of businesses in the state appointed by the governor who:

(i) are owners of businesses, chief executives, or operating officers of businesses, or other business executives or employers with optimum policy-making or hiring authority and who, in addition, may be members of a local board under United States Code, title 29, section 3122(b)(2)(A)(i);

(ii) represent businesses, including small businesses, or organizations representing businesses that provide employment opportunities that, at a minimum, include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the state; and

(iii) are appointed from individuals nominated by state business organizations and business trade associations;

(5) six representatives of labor organizations appointed by the governor, including:

(i) representatives of labor organizations who have been nominated by state labor federations;
and

(ii) a member of a labor organization or a training director from a joint labor organization;

(6) commissioners of the state agencies with primary responsibility for core programs identified within the state plan including:

(i) the Department of Employment and Economic Development;

(ii) the Department of Education; and

(iii) the Department of Human Services;

(7) two chief elected officials, appointed by the governor, collectively representing cities and counties;

(8) two representatives who are people of color or people with disabilities, appointed by the governor, of community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment; and

(9) four officials responsible for education programs in the state, appointed by the governor, including chief executive officers of community colleges and other institutions of higher education, including:

(i) the chancellor of the Minnesota State Colleges and Universities;

(ii) the president of the University of Minnesota;

(iii) a president from a private postsecondary school; and

(iv) a representative of career and technical education.

(d) The nonvoting members of the board shall be appointed by the governor and consist of one of each of the following:

(1) a representative of Adult Basic Education;

(2) a representative of public libraries;

(3) a person with expertise in women's economic security;

(4) the chair or executive director of the Minnesota Workforce Council Association;

(5) the commissioner of labor and industry;

(6) the commissioner of the Office of Higher Education;

(7) the commissioner of corrections;

(8) the commissioner of management and budget;

(9) two representatives of community-based organizations who are people of color or people with disabilities who have demonstrated experience and expertise in addressing the employment, training, and education needs of individuals with barriers to employment;

(10) a representative of secondary, postsecondary, or career-technical education;

(11) a representative of school-based service learning;

(12) a representative of the Council on Asian-Pacific Minnesotans;

(13) a representative of the Minnesota Council on Latino Affairs;

(14) a representative of the Council for Minnesotans of African Heritage;

(15) a representative of the Minnesota Indian Affairs Council;

(16) a representative of the Minnesota State Council on Disability; and

(17) a representative of the Office on the Economic Status of Women.

~~(g) Appointment:~~ (e) Each member shall be appointed for a term of three years from the first day of January or July immediately following their appointment. Elected officials shall forfeit their appointment if they cease to serve in elected office.

~~(h) Members of the council are compensated as provided in section 15.059, subdivision 3.~~

Subd. 2a. **Council Board meetings; chair.** ~~(a) If compliance with section 13D.02 is impractical, the Governor's Workforce Development Council may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:~~

~~(1) all members of the council participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;~~

~~(2) members of the public present at the regular meeting location of the council can hear clearly all discussion and testimony and all votes of members of the council and, if needed, receive those services required by sections 15.44 and 15.441;~~

~~(3) at least one member of the council is physically present at the regular meeting location; and~~

~~(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.~~

~~(b) Each member of the council participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.~~

~~(c) If telephone or other electronic means is used to conduct a meeting, the council, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The council may require the person making such a connection to pay for documented marginal costs that the council incurs as a result of the additional connection.~~

~~(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the council shall provide notice of the regular meeting location, of the fact that some~~

members may participate by telephone or other electronic means, and of the provisions of paragraph (e). The timing and method of providing notice is governed by section 13D.04.

(a) The board shall hold regular in-person meetings at least quarterly and as often as necessary to perform the duties outlined in the statement of authority and the board's bylaws. Meetings shall be called by the chair. Special meetings may be called as needed. Notices of all meetings shall be made at least 48 hours before the meeting date.

(b) The governor shall designate a chair from among the appointed business representative voting members. The chair shall approve an agenda for each meeting. Members shall submit a written request for consideration of an agenda item no less than 24 hours in advance of the meeting. Members of the public may submit a written request within 48 hours of a meeting to be considered for inclusion in the agenda. Members of the public attending a meeting of the board may address the board only with the approval or at the request of the chair.

(c) All meeting notices must be posted on the board's Web site. All meetings of the board and committees must be open to the public. The board must make available to the public, on a regular basis through electronic means and open meetings, information regarding the activities of the board, information regarding membership, and, on request, minutes of formal meetings of the board.

(d) For the purpose of conducting business before the board at a duly called meeting, a simple majority of the voting members, excluding any vacancies, constitutes a quorum.

~~Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace the governor's Job Training Council and assume all of its requirements, duties, and responsibilities under the Workforce Investment Act. Additionally, the Workforce Development Council shall assume the following duties and responsibilities:~~

~~(a) Review the provision of services and the use of funds and resources under applicable federal human resource programs and advise the governor on methods of coordinating the provision of services and the use of funds and resources consistent with the laws and regulations governing the programs. For purposes of this section, applicable federal and state human resource programs mean the:~~

~~(1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;~~

~~(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States Code, title 20, section 2301, et seq.;~~

~~(3) Adult Education Act, United States Code, title 20, section 1201, et seq.;~~

~~(4) Wagner-Peyser Act, United States Code, title 29, section 49;~~

~~(5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);~~

~~(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp Employment and Training Program, United States Code, title 7, section 2015(d)(4); and~~

~~(7) programs defined in section 116L.19, subdivision 5.~~

~~Additional federal and state programs and resources can be included within the scope of the council's duties if recommended by the governor after consultation with the council.~~

~~(b) Review federal, state, and local education, postsecondary, job skills training, and youth employment programs, and make recommendations to the governor and the legislature for establishing an integrated seamless system for providing education and work skills development services to learners and workers of all ages.~~

~~(c) Advise the governor on the development and implementation of statewide and local performance standards and measures relating to applicable federal human resource programs and the coordination of performance standards and measures among programs.~~

~~(d) Promote education and employment transitions programs and knowledge and skills of entrepreneurship among employers, workers, youth, and educators, and encourage employers to provide meaningful work-based learning opportunities.~~

~~(e) Evaluate and identify exemplary education and employment transitions programs and provide technical assistance to local partnerships to replicate the programs throughout the state.~~

~~(f) Advise the governor on methods to evaluate applicable federal human resource programs.~~

~~(g) Sponsor appropriate studies to identify human investment needs in Minnesota and recommend to the governor goals and methods for meeting those needs.~~

~~(h) Recommend to the governor goals and methods for the development and coordination of a human resource system in Minnesota.~~

~~(i) Examine federal and state laws, rules, and regulations to assess whether they present barriers to achieving the development of a coordinated human resource system.~~

~~(j) Recommend to the governor and to the federal government changes in state or federal laws, rules, or regulations concerning employment and training programs that present barriers to achieving the development of a coordinated human resource system.~~

~~(k) Recommend to the governor and to the federal government waivers of laws and regulations to promote coordinated service delivery.~~

~~(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic plan which details methods for meeting Minnesota's human investment needs and for developing and coordinating a state human resource system.~~

~~(m) Provide the commissioner of employment and economic development and the committees of the legislature with responsibility for economic development with recommendations provided to the governor under this subdivision.~~

~~(n) In consultation with local workforce councils and the Department of Employment and Economic Development, develop an ongoing process to identify and address local gaps in workforce services.~~

Subd. 4. **Executive committee duties.** The executive committee must, with advice and input of local workforce ~~councils~~ boards and other stakeholders as appropriate, develop performance standards for the state workforce centers. By January ~~15, 2002~~ 2019, and each odd-numbered year thereafter, the executive committee shall submit a report to the senate and house of representatives committees with jurisdiction over workforce development programs regarding the performance and outcomes of the workforce centers. The report must provide recommendations regarding workforce center funding levels and sources, program changes, and administrative changes.

Subd. 5. **Subcommittees.** The chair of the Workforce Development ~~Council~~ Board may establish subcommittees in order to carry out the duties and responsibilities of the ~~council~~ board.

Subd. 6. **Staffing.** The ~~Department of~~ commissioner of employment and economic development must provide staff, ~~including but not limited to professional, technical, and clerical staff to the board necessary to perform the duties assigned to the Minnesota Workforce Development Council. All staff report to the commissioner carry out the duties of the board. The council may ask for assistance from other units of~~ At the request of the board, state government as departments and agencies must provide the board with the assistance it requires in order to fulfill its duties and responsibilities.

Subd. 7. **Expiration.** The ~~council~~ board expires if there is no federal funding for the human resource programs within the scope of the ~~council's~~ board's duties.

Subd. 8. **Funding.** The commissioner ~~shall develop recommendations on a funding formula for allocating Workforce Investment Act funds to the council with a minimum allocation of employment and economic development must provide at least \$350,000 per each fiscal year. The commissioner shall report the funding formula recommendations to the legislature by January 15, 2011 from existing agency resources to the board for staffing and administrative expenses.~~

Sec. 10. Minnesota Statutes 2016, section 116M.14, subdivision 4, is amended to read:

Subd. 4. **Low-income area.** "Low-income area" means:

(1) Minneapolis, St. Paul;

(2) those cities in the metropolitan area as defined in section 473.121, subdivision 2, that have ~~an average income~~ a median income for a family of four that is below 80 percent of the median income for a four-person family as of the latest report by the United States Census Bureau; and

(3) the area outside the metropolitan area.

Sec. 11. Minnesota Statutes 2016, section 116M.17, subdivision 4, is amended to read:

Subd. 4. **Reports.** The ~~board~~ department shall submit an annual report to the legislature of an accounting of loans made under section 116M.18, including information on loans made, the number of jobs created by the program, the impact on low-income areas, and recommendations concerning minority business development and jobs for persons in low-income areas.

Sec. 12. Minnesota Statutes 2016, section 116M.18, subdivision 1a, is amended to read:

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan

area as in the nonmetropolitan area. After ~~September 30~~ March 31 of each ~~calendar~~ fiscal year, the department may allow loans to be made anywhere in the state without regard to geographic area.

Sec. 13. Minnesota Statutes 2016, section 116M.18, subdivision 4, is amended to read:

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations under the program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the program.

(c) A loan must be used to support a business owned by a minority or a low-income person, woman, veteran, or a person with disabilities. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants.

(h) Up to ten percent of a loan's principal amount may be forgiven if the department approves and the borrower has met lender criteria including being current with all payments.

Sec. 14. Minnesota Statutes 2016, section 116M.18, subdivision 4a, is amended to read:

Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of \$5,000 and a maximum of \$35,000;

(3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum of \$50,000; and

(4) they do not require a match.

(b) Up to ten percent of a loan's principal amount may be forgiven if the department approves and the borrower has met lender criteria including being current with all payments.

Sec. 15. Minnesota Statutes 2016, section 116M.18, subdivision 8, is amended to read:

Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a program grant shall:

(1) submit an annual report to the ~~board and~~ department by ~~March 30~~ February 15 of each year that includes a description of businesses supported by the grant program, an account of loans made

during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the department.

Sec. 16. Laws 2016, chapter 189, article 7, section 2, subdivision 2, is amended to read:

Subd. 2. **Business and Community Development** -0- 8,021,000

Appropriations by Fund

General	-0-	7,271,000
Workforce Development	-0-	750,000

(a) \$9,000,000 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 \$11,000,000 in fiscal year 2018 and each fiscal year thereafter.

(b) \$11,500,000 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 \$6,500,000 in fiscal year 2018 and each fiscal year thereafter.

(c) \$2,000,000 in fiscal year 2017 is for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation.

(d) \$1,220,000 in fiscal year 2017 is for a grant to the Duluth North Shore Sanitary District to retire debt of the district in order to bring the district's monthly wastewater rates in line with those of similarly situated facilities across the state. This is a onetime appropriation.

(e) \$300,000 in fiscal year 2017 is from the workforce development fund for expansion

of business assistance services provided by business development specialists located in the Northwest Region, Northeast Region, West Central Region, Southwest Region, Southeast Region, and Twin Cities Metro Region offices established throughout the state. Funds under this section may be used to provide services including, but not limited to, business start-ups; expansion; location or relocation; finance; regulatory and permitting assistance; and other services determined by the commissioner. The commissioner may also use funds under this section to increase the number of business development specialists in each region of the state, increase and expand the services provided through each regional office, and publicize the services available and provide outreach to communities in each region regarding services and assistance available through the business development specialist program. This is a onetime appropriation.

(f) \$50,000 in fiscal year 2017 is from the workforce development fund to enhance the outreach and public awareness activities of the Bureau of Small Business under Minnesota Statutes, section 116J.68. This is a onetime appropriation.

(g) \$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.

(h) \$2,500,000 in fiscal year 2017 is for grants to initiative foundations to provide financing for business startups, expansions, and maintenance; and for business ownership transition and succession. This is a onetime appropriation. Of the amount appropriated:

(1) \$357,000 is for a grant to the Southwest Initiative Foundation;

(2) \$357,000 is for a grant to the West Central Initiative Foundation;

(3) \$357,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) \$357,000 is for a grant to the Northwest Minnesota Foundation;

(5) \$357,000 is for a grant to the Initiative Foundation;

(6) \$357,000 is for a grant to the Northland Foundation; and

(7) \$357,000 is for a grant for the Minnesota emerging entrepreneur program under Minnesota Statutes, chapter 116M. Funds available under this clause are for deposit in the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent and must be allocated as follows:

(i) 50 percent of the funds must be allocated for projects in the counties of Dakota, Ramsey, and Washington; and

(ii) 50 percent of the funds must be allocated for projects in the counties of Anoka, Carver, Hennepin, and Scott.

(i) \$600,000 in fiscal year 2017 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2019.

(j) \$4,500,000 in fiscal year 2017 is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This

appropriation is in addition to the appropriation in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2. This is a onetime appropriation.

(k) \$3,651,000 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 section 45. This is a onetime appropriation.

(l) \$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.

(m) \$100,000 in fiscal year 2017 is from the general fund for a grant to the city of Madelia to provide match funding for a federal Economic Development Agency technical assistance grant. This is a onetime appropriation.

(n) \$10,000,000 in fiscal year 2017 is for deposit in the Minnesota 21st century fund. This is a onetime appropriation.

(o) \$400,000 in fiscal year 2017 is from the workforce development fund for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this section may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation.

(p) \$2,600,000 in fiscal year 2017 is for a transfer to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop new technologies that enhance the long-term viability of the Minnesota mining industry. The research must be done in consultation with the Mineral Coordinating Committee established by Minnesota Statutes, section 93.0015. This is a onetime transfer.

(q) Of the amount appropriated in fiscal year 2017 for the Minnesota Investment Fund in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2, paragraph (a), \$450,000 is for a grant to the Lake

Superior-Poplar River Water District to acquire interests in real property, engineer, design, permit, and construct infrastructure to transport and treat water from Lake Superior through the Poplar River Valley to serve domestic, irrigation, commercial, stock watering, and industrial water users. This grant does not require a local match. This is a onetime appropriation. This amount is available until June 30, 2019.

(r) \$500,000 is for the Minnesota emerging entrepreneur program under Minnesota Statutes, section 116M.18. Of this amount, up to five percent is for administration and monitoring of the program. For fiscal year 2018 and thereafter, the base amount is \$750,000 per year. Funds available under this paragraph are for deposit in the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent.

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

Sec. 17. ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2018. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2019, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

Sec. 18. GETTING TO WORK GRANT PROGRAM.

Subdivision 1. **Creation.** The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment.

Subd. 2. **Qualified grantee.** A grantee must:

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

(2) at the time of application offer, or have the demonstrated capacity to offer, a motor vehicle program that provides the services required under subdivision 3.

Subd. 3. **Program requirements.** (a) A program must offer one or more of the following services:

(1) provision of new or used motor vehicles by gift, sale, or lease;

(2) motor vehicle repair and maintenance services; or

(3) motor vehicle loans.

(b) In addition to the requirements of paragraph (a), a program must offer one or more of the following services:

(1) financial literacy education;

(2) education on budgeting for vehicle ownership;

(3) car maintenance and repair instruction;

(4) credit counseling; or

(5) job training related to motor vehicle maintenance and repair.

Subd. 4. **Application.** Applications for a grant must be on a form provided by the commissioner and on a schedule set by the commissioner. Applications must, in addition to any other information required by the commissioner, include the following:

(1) a detailed description of all services to be offered;

(2) the area to be served;

(3) the estimated number of program participants to be served by the grant; and

(4) a plan for leveraging resources from partners that may include, but are not limited to:

(i) automobile dealers;

(ii) automobile parts dealers;

(iii) independent local mechanics and automobile repair facilities;

(iv) banks and credit unions;

(v) employers;

(vi) employment and training agencies;

(vii) insurance companies and agents;

(viii) local workforce centers; and

(ix) educational institutions including vocational institutions and jobs or skills training programs.

Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person must:

(1) have a household income at or below 200 percent of the federal poverty level;

(2) be at least 22 years of age;

(3) have a valid driver's license;

(4) provide the grantee with proof of motor vehicle insurance; and

(5) demonstrate to the grantee that a motor vehicle is required by the person to obtain or maintain employment.

(b) This subdivision does not preclude a grantee from imposing additional requirements, not inconsistent with paragraph (a), for the receipt of program services.

Subd. 6. **Report to legislature.** By February 15, 2019, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over workforce and economic development on program outcomes. At a minimum, the report must include:

(1) the total number of program participants;

(2) the number of program participants who received each of the following:

(i) provision of a motor vehicle;

(ii) motor vehicle repair services; and

(iii) motor vehicle loans;

(3) the number of program participants who report that they or their children were able to increase their participation in community activities such as after school programs, other youth programs, church or civic groups, or library services as a result of participation in the program; and

(4) an analysis of the impact of the getting to work grant program on the employment rate and wages of program participants.

Sec. 19. **REPEALER.**

Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; and 4355.0500, are repealed."

Delete the title and insert:

"A bill for an act relating to jobs; appropriating money for the Departments of Employment and Economic Development and Labor and Industry; the Bureau of Mediation Services; Public Employment Relations Board and Workers' Compensation Court of Appeals; making policy and

technical changes; modifying fees; requiring reports; amending Minnesota Statutes 2016, sections 116J.395, subdivision 7; 116J.8731, subdivision 2, by adding a subdivision; 116J.8748, subdivisions 1, 3, 4, 6; 116L.17, subdivision 1; 116L.665; 116M.14, subdivision 4; 116M.17, subdivision 4; 116M.18, subdivisions 1a, 4, 4a, 8; 175.45; 326B.092, subdivision 7; 326B.153, subdivision 1; 326B.37, by adding subdivisions; 326B.435, subdivision 2; 326B.50, subdivision 3, by adding subdivisions; 326B.55, subdivisions 2, 4; 326B.89, subdivisions 1, 5; Laws 2015, First Special Session chapter 1, article 1, section 5, subdivision 2; Laws 2016, chapter 189, article 7, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 175; 326B; repealing Minnesota Statutes 2016, section 326B.89, subdivision 14; Minnesota Rules, parts 4355.0100; 4355.0200; 4355.0300; 4355.0400; 4355.0500."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Newman from the Committee on Transportation Finance and Policy, to which was re-referred

S.F. No. 1060: A bill for an act relating to transportation; modifying various provisions governing commercial motor vehicles, Department of Transportation contract preference requirements, and transportation plan due dates; amending Minnesota Statutes 2016, sections 161.321, subdivision 6; 169.865, subdivision 3; 171.12, subdivision 6; 174.03, subdivisions 1a, 1c; 221.031, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. **TRANSPORTATION APPROPRIATIONS.**

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 trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2018</u>	<u>2019</u>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

has determined that at least an equal amount has been committed to the project from nonstate sources. Work that may be completed with this appropriation includes but is not limited to (i) site preparation including utilities, site civil work, testing, and construction administration services, (ii) the relocation, modification, and addition of airline ticket counters, baggage claim devices, public spaces, offices, restrooms, support space, break rooms, lockers, equipment storage, communications, hallways, building signage, medical visitor rooms, special needs accommodations, hold rooms, secure storage, equipment maintenance area, and building engineering and technology systems, (iii) improvements needed outside the terminal to remove, restore, and tie into adjacent utilities, sidewalks, driveways, parking lots, and aircraft aprons, and (iv) the construction of covered exterior equipment storage;

\$6,619,000 to provide the federal match to design and construct runway infrastructure at the Duluth International and Sky Harbor Airports in accordance with Minnesota Statutes, section 360.017. For the purposes of this clause, the commissioner may waive the requirements of Minnesota Statutes, section 360.305, subdivision 4, paragraph (b). This appropriation is for costs incurred after March 1, 2016, and is available until and must be encumbered by June 30, 2017. This appropriation is not available until the commissioner of management and budget determines that an equal amount is committed from nonstate sources; and

\$250,000 for an air transport optimization planning study for the St. Cloud Regional Airport, which must be comprehensive and market-based, using economic development and air service expertise to research, analyze, and develop models and strategies that maximize the return on investments made to

enhance the use and impact of the St. Cloud Regional Airport.

The base appropriation in each of fiscal years 2020 and 2021 is \$15,298,000.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(2) Aviation Support and Services 6,790,000 6,934,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>Airports</u>	<u>5,311,000</u>	<u>5,311,000</u>
<u>Trunk Highway</u>	<u>1,479,000</u>	<u>1,623,000</u>

\$80,000 in each year is from the state airports fund for the Civil Air Patrol.

(b) Transit 18,091,000 18,118,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>17,245,000</u>	<u>17,245,000</u>
<u>Trunk Highway</u>	<u>846,000</u>	<u>873,000</u>

(c) Safe Routes to School 500,000 500,000

This appropriation is from the general fund for the safe routes to school program under Minnesota Statutes, section 174.40.

(d) Freight 6,706,000 5,778,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
<u>General</u>	<u>1,356,000</u>	<u>256,000</u>
<u>Trunk Highway</u>	<u>5,350,000</u>	<u>5,522,000</u>

\$1,100,000 in the first year is from the general fund for port development assistance program grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned. This is a onetime appropriation and is available in the second year.

Subd. 3. State Roads

(a) <u>Operations and Maintenance</u>	<u>332,773,000</u>	<u>343,159,000</u>
(b) <u>Program Planning and Delivery</u>	<u>257,479,000</u>	<u>265,542,000</u>

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

\$1,000,000 in each year is available for management of contaminated and regulated material on property owned by the Department of Transportation, including mitigation of property conveyances, facility acquisition or expansion, chemical release at maintenance facilities, and spills on the trunk highway system where there is no known responsible party. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) <u>State Road Construction</u>	<u>1,009,396,000</u>	<u>942,268,000</u>
---	----------------------	--------------------

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts, internal department costs associated with delivering the

construction program, and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

This appropriation may be used for the restoration of former trunk highways that have reverted to counties or to statutory or home rule charter cities, or for trunk highways that will be restored and subsequently turned back by agreement between the commissioner and the local road authority, where "restoration" means the level of effort required to improve the route that will be turned back to an acceptable condition as determined by agreement made between the commissioner and the county or city before the route is turned back.

The commissioner may expend up to one-half of one percent of the federal appropriations under this paragraph as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(d) Highway Debt Service

224,246,000

241,720,000

\$214,746,000 the first year and \$232,220,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall transfer the deficiency amount under the statutory open appropriation, and notify the chairs and

ranking minority members of the legislative committees with jurisdiction over transportation finance and the chairs of the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency. Any excess appropriation cancels to the trunk highway fund.

(e) Statewide Radio Communications 5,648,000 5,829,000

<u>Appropriations by Fund</u>		
	<u>2018</u>	<u>2019</u>
General	3,000	3,000
Trunk Highway	5,645,000	5,826,000

\$3,000 in each year is from the general fund to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

(a) County State-Aid Roads 769,644,000 800,066,000

This appropriation is from the county state-aid highway fund under Minnesota Statutes, section 161.081, and chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the county state-aid highway fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing county state-aid highway projects, an amount necessary to advance the projects, not to exceed the balance in the county state-aid highway fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall

identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(b) Municipal State-Aid Roads

195,858,000

203,463,000

This appropriation is from the municipal state-aid street fund under Minnesota Statutes, chapter 162, and is available until spent.

If the commissioner of transportation determines that a balance remains in the municipal state-aid street fund following the appropriations and transfers made in this paragraph, and that the appropriations made are insufficient for advancing municipal state-aid street projects, an amount necessary to advance the projects, not to exceed the balance in the municipal state-aid street fund, is appropriated in each year to the commissioner. Within two weeks of a determination under this contingent appropriation, the commissioner of transportation shall notify the commissioner of management and budget and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance concerning funds appropriated. The commissioner shall identify in the next budget submission to the legislature under Minnesota Statutes, section 16A.11, any amount that is appropriated under this paragraph.

(c) Small Cities Assistance

10,000,000

0

This appropriation is from the small cities assistance account in the special revenue fund under Minnesota Statutes, section 162.145.

Subd. 5. Agency Management

(a) Agency Services

44,316,000

45,206,000

(b) Buildings

20,085,000

20,939,000

Appropriations by Fund

2018

2019

<u>General</u>	<u>54,000</u>	<u>54,000</u>
<u>Trunk Highway</u>	<u>20,031,000</u>	<u>20,885,000</u>

Any money appropriated to the commissioner of transportation for building construction for any fiscal year before the first year is available to the commissioner of transportation during the biennium to the extent that the commissioner spends the money on the building construction projects for which the money was originally encumbered during the fiscal year for which it was appropriated.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Tort Claims

600,000

600,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Transfers

With the approval of the commissioner of management and budget, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriations for state road construction or for debt service. Transfers under this subdivision may not be made between funds. Transfers under this subdivision must be reported immediately to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance.

Subd. 7. Previous State Road Construction Appropriations

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before the first year is available to the commissioner during the biennium to the extent that the commissioner

spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated.

Subd. 8. Contingent Appropriation

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and the ranking minority members of the legislative committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation: (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding; (2) for trunk highway maintenance in order to meet an emergency; or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. METROPOLITAN COUNCIL

\$ 90,820,000 \$ 89,820,000

This appropriation is from the general fund for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

\$1,000,000 in fiscal year 2018 is for financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for the purposes of the suburb-to-suburb transit demonstration project authorized

\$600,000 each year is from the general fund and \$100,000 in each year is from the trunk highway fund for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(c) Technology and Support Service 3,685,000 3,685,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	<u>1,322,000</u>	<u>1,322,000</u>
H.U.T.D.	<u>19,000</u>	<u>19,000</u>
Trunk Highway	<u>2,344,000</u>	<u>2,344,000</u>

Subd. 3. State Patrol

(a) Patrolling Highways 88,357,000 88,357,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	<u>37,000</u>	<u>37,000</u>
H.U.T.D.	<u>828,000</u>	<u>828,000</u>
Trunk Highway	<u>87,492,000</u>	<u>87,492,000</u>

(b) Commercial Vehicle Enforcement 8,257,000 8,257,000

(c) Capitol Security 8,147,000 8,147,000

This appropriation is from the general fund.

The commissioner must not: (1) spend any money from the trunk highway fund for capitol security; or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.

The commissioner must not transfer any money appropriated to the commissioner under this section: (1) to capitol security; or (2) from capitol security.

Subd. 4. Driver and Vehicle Services

(a) Vehicle Services 30,082,000 30,082,000

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
Special Revenue	<u>21,846,000</u>	<u>21,846,000</u>
H.U.T.D.	<u>8,236,000</u>	<u>8,236,000</u>

(b) Driver Services	<u>30,896,000</u>	<u>30,896,000</u>
----------------------------	-------------------	-------------------

This appropriation is from the driver services operating account in the special revenue fund.

\$156,000 in each year is appropriated to maintain the automated knowledge test system.

Subd. 5. Traffic Safety	<u>457,000</u>	<u>457,000</u>
--------------------------------	----------------	----------------

Subd. 6. Pipeline Safety	<u>1,388,000</u>	<u>1,388,000</u>
---------------------------------	------------------	------------------

This appropriation is from the pipeline safety account in the special revenue fund.

Sec. 5. **APPROPRIATION CANCELLATION.**

\$1,100,000 of the appropriation for port development assistance under Laws 2015, chapter 75, article 1, section 3, subdivision 2, paragraph (e), is canceled to the general fund on June 30, 2017.

Sec. 6. **DEPARTMENT OF TRANSPORTATION; APPROPRIATION.**

\$105,000,000 is appropriated from the trunk highway fund to the commissioner of transportation in fiscal year 2017, as additional federal spending authority for state road construction.

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

ARTICLE 2

TRUNK HIGHWAY BONDING

Section 1. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$325,325,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 2. **BOND APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds account in the trunk highway fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, articles XI and XIV. Unless otherwise specified, money appropriated in this article for a capital program or project may be used to pay state agency staff costs that are attributed directly to the

capital program or project in accordance with accounting policies adopted by the commissioner of management and budget.

SUMMARY

<u>Department of Transportation</u>	\$	<u>325,000,000</u>
<u>Department of Management and Budget</u>		<u>325,000</u>
<u>TOTAL</u>	\$	<u>325,325,000</u>

APPROPRIATIONS

<u>Sec. 3. DEPARTMENT OF TRANSPORTATION CORRIDORS OF COMMERCE</u>	\$	<u>200,000,000</u>
--	-----------	---------------------------

(a) The appropriation in this section is to the commissioner of transportation for the corridors of commerce program under Minnesota Statutes, section 161.088, and is available in the amounts of \$50,000,000 in each fiscal year from 2018 to 2021. The commissioner may use up to 17 percent of the amount each year for program delivery.

(b) In any fiscal year covered by this appropriation, the commissioner may identify projects based on previous selection processes or may perform a new selection.

(c) The appropriation in this section cancels as specified under Minnesota Statutes, section 16A.642, except that the commissioner of management and budget shall count the start of authorization for issuance of state bonds as the first day of the fiscal year during which the bonds are available to be issued as specified under paragraph (a), and not as the date of enactment of this section.

<u>Sec. 4. U.S. HIGHWAY 12 PROJECTS</u>	\$	<u>15,000,000</u>
--	-----------	--------------------------

The appropriation in this section is in fiscal year 2018 for projects, including preliminary and final design, engineering, environmental analysis, right-of-way acquisition, construction, and reconstruction, on marked U.S. Highway 12 as follows:

(1) realignment at the intersections with Hennepin County State-Aid Highway 92;

(2) realignment and safety improvements at the intersection with Hennepin County State-Aid Highway 90; and

(3) safety median improvements from the interchange with Wayzata Boulevard in Wayzata to approximately one-half mile east of the interchange with Hennepin County State-Aid Highway 6.

Sec. 5. **MARKED TRUNK HIGHWAY 212**

\$ 20,000,000

The appropriation in this section is in fiscal year 2018 for acquisition of right-of-way and construction or reconstruction of marked Trunk Highway 212 as a four-lane divided highway from County Road 11 in Carver County to County Road 43 in Carver County.

Sec. 6. **MARKED TRUNK HIGHWAY 14**

\$ 90,000,000

The appropriation in this section is in fiscal year 2018 for acquisition of right-of-way and construction and reconstruction of marked Trunk Highway 14 as a four-lane divided highway from the interchange with marked Interstate Highway 35 near the city of Owatonna to the point near the city of Dodge Center at which marked Trunk Highway 14 constitutes a four-lane divided highway southeast of the intersection with marked Trunk Highway 56.

Sec. 7. **BOND SALE EXPENSES**

\$ 325,000

This appropriation is to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4, and is available in the amounts of \$175,000 in fiscal year 2018 and \$50,000 in each fiscal year from 2019 to 2021.

Sec. 8. **EFFECTIVE DATE.**

This article is effective July 1, 2017.

ARTICLE 3

TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2016, section 161.081, subdivision 1, is amended to read:

Subdivision 1. **Distribution of five percent.** ~~(a)~~ Pursuant to article 14, section 5, of the Constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned ~~to the county state-aid highway fund.~~

~~(b)~~ That apportionment is further distributed as follows:

~~(1) 30.5 percent to the town road account created in section 162.081;~~

~~(2) 16 percent to the town bridge account, which is created in the state treasury~~ 46.5 percent to the county state-aid highway fund, consisting of: (i) 30.5 percent to the town road account created in section 162.081; and (ii) 16 percent to the town bridge account created in the state treasury; and

~~(3) 53.5 percent to the flexible highway account created in subdivision 3~~ (2) 53.5 percent to the trunk highway fund.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 297A.815, subdivision 3, is amended to read:

Subd. 3. **Motor vehicle lease sales tax revenue.** ~~(a) For purposes of this subdivision, "net revenue" means an amount equal to the revenues, including interest and penalties, collected under this section, during the fiscal year, less \$32,000,000 in each fiscal year.~~

~~(b)~~ On or before June 30 of each fiscal year, the commissioner of revenue shall estimate the amount of the ~~net revenue~~ revenues, including interest and penalties, collected under this section for the current fiscal year.

~~(c) On or after July 1~~ (b) By July 15 of the subsequent fiscal year, the commissioner of management and budget ~~shall~~ must transfer the ~~net revenue~~ revenues as estimated in paragraph ~~(b)~~ (a) from the general fund, as follows:

~~(1) \$9,000,000 annually until January 1, 2015, and 50 percent annually thereafter~~

36 percent to the county state-aid highway fund. Notwithstanding any other law to the contrary, the commissioner of transportation shall allocate the funds transferred under this clause to the counties in the metropolitan area, as defined in section 473.121, subdivision 4, excluding the counties of Hennepin and Ramsey, so that each county shall receive of such amount the percentage that its population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the current calendar year, bears to the total population of the counties receiving funds under this clause; and

~~(2) the remainder~~ 36 percent to the greater Minnesota transit account; and

(3) the remainder to the highway user tax distribution fund.

(c) As part of the transfer that must occur by July 15, 2018, in addition to any amounts transferred under paragraph (b), the commissioner of management and budget must transfer \$10,000,000 of the revenues as estimated in paragraph (a) from the general fund to the small cities assistance account under section 162.145.

EFFECTIVE DATE. This section is effective beginning with the estimate that must be completed on or before June 30, 2018, for a transfer that occurs by July 15, 2018.

Sec. 3. Minnesota Statutes 2016, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of management and budget shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) Beginning with sales taxes remitted after July 1, 2017, the commissioner shall deposit in the state treasury the revenues collected under section 297A.64, subdivision 1, and credit them to the highway user tax distribution fund.

(e) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) (f) Beginning with sales taxes remitted after July 1, 2017, in conjunction with the deposit of revenues under paragraph (d), the commissioner shall deposit into the state treasury and credit to the highway user tax distribution fund an amount equal to the estimated revenues derived from the tax rate imposed under section 297A.62, subdivision 1, on the lease or rental for not more than 28 days of rental motor vehicles subject to section 297A.64. The commissioner shall estimate the amount of sales tax revenue deposited under this paragraph based on the amount of revenue deposited under paragraph (d).

(g) Starting after July 1, 2017, the commissioner shall deposit an amount of the remittances monthly into the state treasury and credit them to the highway user tax distribution fund as a portion of the estimated amount of taxes collected from the sale and purchase of motor vehicle repair parts in that month. For the remittances between July 1, 2017, and June 30, 2019, the monthly deposit amount is \$10,292,000. For remittances in each subsequent fiscal year, the monthly deposit amount is \$13,968,000. For purposes of this paragraph, "motor vehicle" has the meaning given in section 297B.01, subdivision 11, and "motor vehicle repair and replacement parts" includes (i) all parts, tires, accessories, and equipment incorporated into or affixed to the motor vehicle as part of the motor vehicle maintenance and repair, and (ii) paint, oil, and other fluids that remain on or in the motor vehicle as part of the motor vehicle maintenance or repair.

(h) 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) (i) The revenue dedicated under paragraph (e) (h) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) (h) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) (h) must be allocated for field operations.

~~(g)~~ (j) The revenues deposited under paragraphs (a) to ~~(f)~~ (i) do not include the revenues, including interest and penalties, generated by the sales tax imposed under section 297A.62, subdivision 1a, which must be deposited as provided under the Minnesota Constitution, article XI, section 15.

EFFECTIVE DATE. This section is effective July 1, 2017.

ARTICLE 4

TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2016, section 85.016, is amended to read:

85.016 BICYCLE TRAIL PROGRAM.

The commissioner of natural resources ~~shall~~ must establish a program for the development of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning given in section 169.011. The program ~~shall~~ must be coordinated with the local park trail grant program established by the commissioner pursuant to section 85.019, with the ~~bikeway program~~ state bicycle routes established by the commissioner of transportation pursuant to section ~~160.265~~ 160.266, and with existing and proposed local bikeways. In the metropolitan area as defined in section 473.121, the program ~~shall~~ must be developed in accordance with plans and priorities established by the Metropolitan Council. The commissioner ~~shall~~ must provide technical assistance to local units of government in planning and developing bicycle trails in local parks. The bicycle trail program ~~shall~~ must, as a minimum, describe the location, design, construction, maintenance, and land acquisition needs of each component trail ~~and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262.~~ The program ~~shall~~ must be developed after consultation with the state trail council and regional and local units of government and bicyclist organizations.

Sec. 2. Minnesota Statutes 2016, section 116.03, is amended by adding a subdivision to read:

Subd. 7. **Clean Air Act settlement money.** "Clean Air Act settlement money" means money required to be paid to the state as a result of litigation or settlements of alleged violations of the federal Clean Air Act, United States Code, title 42, section 7401, et seq., or rules adopted thereunder, by an automobile manufacturer. The commissioner of management and budget must establish the Clean Air Act settlement account in the environmental fund. Notwithstanding sections 16A.013 to 16A.016, the commissioner of management and budget must deposit Clean Air Act settlement money into the Clean Air Act settlement account. Clean Air Act settlement money must not be spent until it is specifically appropriated by law. The commissioner of management and budget must eliminate the Clean Air Act settlement account in the environmental fund after all Clean Air Act settlement money has been expended.

Sec. 3. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to read:

Subd. 1a. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes.

Sec. 4. Minnesota Statutes 2016, section 160.02, subdivision 27, is amended to read:

Subd. 27. **Roadway; bicycle lane; bicycle route; bicycle path; bikeway.** The terms "roadway," "bicycle lane," "bicycle route," and "bicycle path," and "bikeway" have the meanings given in section 169.011.

Sec. 5. Minnesota Statutes 2016, section 160.02, is amended by adding a subdivision to read:

Subd. 27a. **Shared use path.** "Shared use path" means a bicycle facility that is (1) physically separated from motorized vehicular traffic by an open space or barrier, (2) located within either the highway right-of-way or an independent right-of-way, and (3) available for use by other nonmotorized users.

Sec. 6. Minnesota Statutes 2016, section 160.262, subdivision 1, is amended to read:

Subdivision 1. ~~**Model standards Powers.**~~ (a) The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bicycle and recreational vehicle lanes bikeways to proposed and existing public highways. The commissioner of transportation shall adopt, in the manner provided in chapter 14, model standards for the establishment of recreational vehicle lanes on and along proposed and existing public highways. The model standards shall include but not be limited to the following: (a) criteria for desirability of a lane in any given location, (b) provision for maintenance of the lanes, and (c) the placement of the lanes in relation to roads. The model standards shall govern state trunk highways. The commissioner of transportation is authorized to plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway. The commissioner is responsible for the design and construction of all bikeway projects within the right-of-way of any trunk highway. The commissioner must consider the development of bikeways during the planning, design, construction, reconstruction, or improvement of any trunk highway, or allow the establishment of such bikeways within trunk highway right-of-way.

(b) The commissioner must maintain bikeway design guidelines consistent with the state transportation goals in section 174.01.

(c) The commissioner must compile and maintain a map of bikeways in the state and must publish and distribute the map's information at least once every two years in a form and manner suitable to assist persons wishing to use the bikeways.

(d) The commissioner must maintain bikeways within the limits of trunk highway right-of-way unless a written agreement or limited use permit provides otherwise.

Sec. 7. Minnesota Statutes 2016, section 160.262, subdivision 3, is amended to read:

Subd. 3. **Cooperation among agencies and governments.** ~~The following~~ departments and agencies shall cooperate in providing on the nonmotorized transportation advisory committee identified in section 174.37 must provide information and advice for amendments to the model standards the bikeway design guidelines maintained by the commissioner of transportation; the Departments of Agriculture, Transportation, Natural Resources, Commerce, and Employment and Economic Development, and the Board of Water and Soil Resources. The commissioner may cooperate with and enter into agreements with the United States government, any department of the

state of Minnesota, any unit of local government ~~and, any tribal government,~~ or any public or private corporation in order to effect the purposes of this section.

Sec. 8. Minnesota Statutes 2016, section 160.262, subdivision 4, is amended to read:

Subd. 4. **Design-build bridges for nonmotorized vehicles.** For streets and highways, the commissioner ~~shall~~ must allow for the acceptance of performance-specification bids, made by the lowest responsible bidder, for constructing design-build bridges for ~~bicycle paths, bicycle trails,~~ bikeways and pedestrian facilities that are:

(1) designed and used primarily for nonmotorized transportation, but may allow for motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise permitted by law, rule, or ordinance, snowmobiles; and

(2) located apart from any road or highway or protected by barriers, provided that a design-built bridge may cross over and above a road or highway.

Sec. 9. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 1a. **State bicycle route; definition.** For the purposes of this section, "state bicycle route" means a linear series of one or more roads or bikeways that is designated for bicycle travel, regardless of whether for exclusive use by bicycles or shared use with other modes of transportation.

Sec. 10. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 1b. **State bicycle routes.** The commissioner of transportation must identify state bicycle routes primarily on existing road right-of-way and trails. State bicycle routes must be identified in cooperation with road and trail authorities, including the commissioner of natural resources, and with the advice of the advisory committee on nonmotorized transportation under section 174.37. In a metropolitan area, state bicycle routes must be identified in coordination with the plans and priorities established by metropolitan planning organizations, as defined in United States Code, title 23, section 134.

Sec. 11. Minnesota Statutes 2016, section 160.266, subdivision 3, is amended to read:

Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, ~~shall~~ must:

(1) identify existing bikeways of regional significance that are in reasonable proximity but not connected to the ~~bikeway~~ state bicycle routes established ~~in~~ under this section, ~~including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd;~~ and

(2) support development of linkages between ~~bikeways identified under clause (1) and the bikeway~~ state bicycle routes established ~~in~~ under this section.

(b) The requirements of this subdivision are a secondary priority for use of funds available under this section following establishment and enhancement of ~~the bikeway~~ state bicycle routes under ~~subdivision 1~~ this section.

Sec. 12. Minnesota Statutes 2016, section 160.266, subdivision 4, is amended to read:

Subd. 4. **Cooperation with other entities.** The commissioner may contract and enter into agreements with federal agencies, other state agencies, local governments, ~~and tribal governments,~~ or private entities to establish, develop, maintain, and operate ~~the bikeway~~ state bicycle routes and to interpret associated natural and cultural resources.

Sec. 13. Minnesota Statutes 2016, section 160.266, subdivision 5, is amended to read:

Subd. 5. **Funding.** ~~Bicycle~~ Shared use paths included within ~~the bikeway~~ state bicycle routes and not administered by the commissioner of natural resources are eligible for funding from the environment and natural resources trust fund under chapter 116P, from the parks and trails grant program under section 85.535, from the local recreation grants program under section 85.019, subdivision 4b, and from other sources.

Sec. 14. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 6. **Mississippi River Trail.** The Mississippi River Trail bikeway must originate at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallel the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminate. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

Sec. 15. Minnesota Statutes 2016, section 160.266, is amended by adding a subdivision to read:

Subd. 7. **North Star Bicycle Route.** The North Star Bicycle Route must originate in the city of St. Paul in Ramsey County, then proceed north through the cities of North Branch in Chisago County, Hinckley in Pine County, Carlton in Carlton County, Duluth in St. Louis County, Two Harbors in Lake County, and Grand Marais in Cook County to Minnesota's boundary with Canada and there terminate. Notwithstanding subdivision 5 or any law to the contrary, the commissioner must not spend trunk highway funds on creating, constructing, marking, or maintaining this route.

Sec. 16. Minnesota Statutes 2016, section 161.088, subdivision 4, is amended to read:

Subd. 4. **Project eligibility.** (a) ~~The commissioner shall establish~~ eligibility requirements for projects that can be funded under the program. Eligibility must include are:

- (1) consistency with the statewide multimodal transportation plan under section 174.03;
- (2) location of the project on an interregional corridor, for a project located outside of the Department of Transportation metropolitan district;
- (3) placement into at least one project classification under subdivision 3;
- (4) a maximum length of time, as determined by the commissioner, until commencement of construction work on the project; and
- (5) for each type of project classification under subdivision 3, a maximum allowable amount for the total project cost estimate, as determined by the commissioner with available data.

(b) A project whose construction is programmed in the state transportation improvement program is not eligible for funding under the program. This paragraph does not apply to a project that is programmed as result of selection under this section.

(c) A project may be, but is not required to be, identified in the 20-year state highway capital investment plan under section 174.03.

Sec. 17. Minnesota Statutes 2016, section 161.088, subdivision 5, is amended to read:

Subd. 5. **Project selection process; criteria.** (a) The commissioner ~~shall~~ must establish a process ~~for identification, evaluation, and selection of~~ to identify, evaluate, and select projects under the program. The process must be consistent with the requirements of this subdivision and must not include any additional evaluation criteria.

(b) As part of the project selection process, the commissioner ~~shall~~ must annually accept recommendations on candidate projects from area transportation partnerships and other interested stakeholders in each Department of Transportation district. The commissioner must determine the eligibility for each candidate project identified under this paragraph, the commissioner shall determine eligibility, classify, and if appropriate, evaluate the project for the program. For each eligible project, the commissioner must classify and evaluate the project for the program.

(c) ~~Project evaluation and prioritization must be performed on the basis of objective criteria, which must include~~ Projects must be evaluated using the following criteria:

- (1) a return on investment measure that provides for comparison across eligible projects;
- (2) measurable impacts on commerce and economic competitiveness;
- (3) efficiency in the movement of freight, including but not limited to:

(i) measures of annual average daily traffic and commercial vehicle miles traveled, which may include data near the project location on that trunk highway or on connecting trunk and local highways; and

(ii) measures of congestion or travel time reliability, which may be within or near the project limits, or both;

(4) improvements to traffic safety;

(5) connections to regional trade centers, local highway systems, and other transportation modes;

(6) the extent to which the project addresses multiple transportation system policy objectives and principles; ~~and~~

(7) support and consensus for the project among members of the surrounding community; and

(8) regional balance throughout the state.

(d) The commissioner must adopt a policy that assigns a weight to each criteria under paragraph (c). This policy must be applied consistently to each project evaluated. Each project must be assigned

a score based on the evaluation. The projects must be prioritized based on the score. The list of all projects evaluated must be made public and must include the score of each project.

(e) As part of the project selection process, the commissioner may divide funding to be separately available among projects within each classification under subdivision 3, and may apply separate or modified criteria among those projects falling within each classification.

Sec. 18. Minnesota Statutes 2016, section 161.088, is amended by adding a subdivision to read:

Subd. 6a. **Corridors of commerce long-term plan.** The commissioner must create a corridors of commerce long-term plan that includes all projects deemed eligible for the program. The projects in the long-term plan must be prioritized based on the score assigned under subdivision 5. The commissioner may create a plan for each district or for the entire state.

Sec. 19. Minnesota Statutes 2016, section 161.088, subdivision 7, is amended to read:

Subd. 7. **Legislative report; evaluation.** (a) ~~Starting in 2014, annually~~ By November 1 each year, the commissioner ~~shall~~ must electronically submit a report on the corridors of commerce program to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. At a minimum, the report must include:

(1) a summary of the program, including a review of the project selection process, ~~eligibility and criteria~~ the policy that provides the weight given each criteria, funds expended in the previous selection cycle, and total funds expended since program inception;

(2) a ~~listing~~ list of projects funded under the program in the previous selection cycle, including:

(i) project classification;

(ii) a breakdown of project costs and funding sources;

(iii) any future operating costs assigned under subdivision 6; and

(iv) a brief description that is comprehensible to a lay audience;

(3) a ~~listing~~ list of all candidate project recommendations required under subdivision 5, paragraph (b), including the eligibility determination for each project and, for eligible projects, the project classification and disposition in the selection process; and

(4) a list of all projects evaluated and the score for each project; and

(5) any recommendations for changes to statutory requirements of the program.

(b) ~~Starting in 2016, and~~ In every even-numbered year ~~thereafter~~, the commissioner ~~shall~~ must incorporate into the report the results of an independent evaluation of impacts and effectiveness of the program. The evaluation must be performed by agency staff or a consultant. The individual or individuals performing the evaluation must have experience in program evaluation, but must not be regularly involved in the program's implementation.

Sec. 20. Minnesota Statutes 2016, section 161.115, subdivision 190, is amended to read:

Subd. 190. **Route No. 259.** Beginning at a point on Statutory Route No. 100, at or near Henderson; thence extending in a general southeasterly direction to a point ~~on Statutory Route No. 123~~, at or near Le Sueur.

EFFECTIVE DATE. This section is effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner of transportation and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under section 43, paragraph (b).

Sec. 21. Minnesota Statutes 2016, section 161.21, subdivision 1, is amended to read:

Subdivision 1. **Location and design of highways.** The commissioner may make or cause to be made such studies and investigations as the commissioner deems necessary for the purpose of determining the most advantageous location and design of trunk highways from the standpoint of both present and future traffic needs, and in making such determinations the commissioner may take into consideration the probable future development of both urban and rural areas and the effect of such development on future traffic needs as indicated by such studies and investigations and the location and design with respect to ~~recreational vehicle lane~~ bikeway establishment.

Sec. 22. Minnesota Statutes 2016, section 161.321, subdivision 6, is amended to read:

Subd. 6. **Rules; eligibility.** ~~(a)~~ The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

~~(b) In addition to other eligibility requirements, a small targeted group business or veteran-owned small business is eligible for the bid preferences under this section only for eight years following the latest of:~~

~~(1) May 1, 2012;~~

~~(2) for a targeted group business, the date of initial certification by the commissioner of administration, as provided under section 16C.19;~~

~~(3) for a veteran-owned small business, the date of initial certification by the United States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d); or~~

~~(4) for a veteran-owned small business, the release or discharge of any one of the owners from military active service, as defined in section 190.05, subdivision 5, lasting for a period of 179 days or longer.~~

Sec. 23. Minnesota Statutes 2016, section 161.44, subdivision 5, is amended to read:

Subd. 5. **Conveyance to highest bidder in certain cases.** If the larger tract has been platted into lots or divided into smaller tracts and the commissioner elects to proceed under this subdivision, ~~or if the lands constituted an entire tract and the person from whom the lands were acquired and the person's spouse are deceased, or if the offers as provided for received~~ are not accepted and the amount of money not tendered within the time prescribed, the lands may be sold and conveyed to

the owner of the land abutting upon the lands in the same manner and under the same terms provided under subdivision 2, or the commissioner may sell the lands to the highest responsible bidder upon three weeks' published notice of such sale in a newspaper or other periodical of general circulation in the general area where the lands are located. All bids may be rejected and new bids received upon like advertisement.

Sec. 24. Minnesota Statutes 2016, section 161.44, subdivision 6a, is amended to read:

Subd. 6a. **Services of licensed real estate broker.** ~~If the lands remain unsold after being offered for sale to the highest bidder~~ are withdrawn from sale under subdivision 6b, the commissioner may retain the services of a licensed real estate broker to find a buyer. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised market value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker, and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 25. Minnesota Statutes 2016, section 161.44, is amended by adding a subdivision to read:

Subd. 6b. **Unsold lands.** If lands remain unsold after being offered for sale to the highest bidder, the commissioner may offer the remaining lands to any person who agrees to pay the minimum bid established for the public sale. The sale must continue until all eligible lands have been sold or the commissioner withdraws the remaining lands from sale. The lands to be sold must be listed on the department's Unsold Property Inventory list.

Sec. 26. Minnesota Statutes 2016, section 169.14, is amended by adding a subdivision to read:

Subd. 5g. **Interstate Highway 35E.** (a) Notwithstanding any law to the contrary, a police officer must not issue any citation or warning to a driver for a violation of the speed limit of 45 miles per hour on marked Interstate Highway 35E in the city of St. Paul, from its intersection with West Seventh Street to its intersection with marked Interstate Highway 94, unless the violation consisted of a speed greater than ten miles per hour in excess of the speed limit.

(b) This subdivision does not apply to (1) a violation that occurs in a commercial motor vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's license, regardless of whether the violation was committed in a commercial motor vehicle.

Sec. 27. Minnesota Statutes 2016, section 169.14, is amended by adding a subdivision to read:

Subd. 5h. **St. Louis County Road 128.** Notwithstanding any provision to the contrary in this section, the speed limit on St. Louis County Road 128 in Eagles Nest Township between Trunk Highway 169 and County Road 989 is 40 miles per hour. The commissioner must erect appropriate signs displaying the 40 miles per hour speed limit.

EFFECTIVE DATE. This section is effective the day following final enactment and the speed limit shall be effective when the required signs are erected.

Sec. 28. Minnesota Statutes 2016, section 169.80, subdivision 1, is amended to read:

Subdivision 1. **Limitations; misdemeanor.** (a) It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than section 169.81, subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

(b) When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

(c) When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

(d) When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

(e) The provisions of sections 169.80 to 169.88 governing size, weight, and load ~~shall~~ do not apply ~~to a fire apparatus, or~~ to a vehicle operated under the terms of a special permit issued as provided by law.

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

Sec. 29. Minnesota Statutes 2016, section 169.829, is amended by adding a subdivision to read:

Subd. 4. Certain emergency vehicles. The provisions of sections 169.80 to 169.88 governing size, weight, and load do not apply to a fire apparatus, a police special response vehicle, or a licensed land emergency ambulance service vehicle.

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

Sec. 30. **[169.829] WEIGHT LIMITS; VEHICLES TRANSPORTING MILK.**

Subdivision 1. **Weight limits increase.** (a) The weight limitations under sections 169.823 to 169.829 are increased by ten percent for a single-unit vehicle transporting fluid milk from the point of production to (1) another point of production for additional loading, or (2) the point of first processing.

(b) Notwithstanding sections 169.824, subdivision 1, paragraph (d); 169.826, subdivision 3; or other law to the contrary; a permit is not required to operate a vehicle under this section.

(c) The seasonal weight increases under section 169.826, subdivision 1, do not apply to a vehicle operated under this section.

Subd. 2. **Requirements; restrictions.** A vehicle operated under this section:

(1) is subject to seasonal load restrictions under section 169.87, except as otherwise provided under section 169.87, subdivision 4;

(2) is subject to bridge load limits posted under section 169.84; and

(3) must not be operated with a load that exceeds the tire manufacturer's recommended load, the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating under Code of Federal Regulations, title 49, sections 567.4 to 567.7.

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

Sec. 31. Minnesota Statutes 2016, section 169.865, subdivision 3, is amended to read:

Subd. 3. **Requirements; restrictions.** (a) A vehicle or combination of vehicles operating under this section:

(1) is subject to axle weight limitations under section 169.824, subdivision 1;

(2) is subject to seasonal load restrictions under section 169.87;

(3) is subject to bridge load limits posted under section 169.84;

(4) may only be operated on paved streets and highways other than interstate highways;

(5) may not be operated with loads that exceed the manufacturer's gross vehicle weight rating as affixed to the vehicle, or other certification of gross vehicle weight rating complying with Code of Federal Regulations, title 49, sections 567.4 to 567.7;

(6) must be issued a permit from each road authority having jurisdiction over a road on which the vehicle is operated, if required;

(7) must comply with the requirements of section 169.851, subdivision 4; and

(8) must have brakes on all wheels.

(b) The percentage allowances for exceeding gross weights if transporting unfinished forest products under section 168.013, subdivision 3, paragraph (b), or for the first haul of unprocessed or raw farm products or unfinished forest products under section 168.013, subdivision 3, paragraph (d), clause (3), do not apply to a vehicle or combination of vehicles operated under this section.

(c) Notwithstanding paragraph (a), clause (4), a vehicle or combination of vehicles hauling fluid milk under a permit issued by the commissioner of transportation may also operate on interstate highways as provided under United States Code, title 23, section 127.

Sec. 32. **[169.869] SPECIAL CONSTRUCTION MATERIALS PERMIT.**

Subdivision 1. **Definition.** For purposes of this section, "construction materials" means highway construction materials, building construction materials, and associated demolition materials, including but not limited to aggregate material as defined in section 298.75, subdivision 1, paragraph (a), hot

mix asphalt, plastic concrete, cementitious materials, concrete admixtures, asphalt cement, construction demolition materials, and recycled road materials.

Subd. 2. **Six-axle vehicles.** (a) The commissioner of transportation may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul construction materials and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

Subd. 3. **Seven-axle vehicles.** (a) The commissioner of transportation may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul construction materials and be operated with a gross vehicle weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

Subd. 4. **Authority; restrictions.** (a) A permit issued by the commissioner under this section is valid for operation on highways regardless of jurisdiction, subject to paragraph (b).

(b) A vehicle or combination of vehicles operating under this section:

(1) may only be operated on paved or unpaved streets and highways, other than interstate highways;

(2) must comply with the requirements and restrictions in section 169.865, subdivision 3, paragraph (a), clauses (1) to (3), (5), (7), and (8); and

(3) must be operated in compliance with truck route requirements and vehicle weight restrictions, as established under section 169.87, subdivision 1, by a local road authority or the commissioner.

Subd. 5. **Revenues.** Revenue from the permits issued by the commissioner under this section must be deposited in the town bridge account. Revenue deposited under this subdivision is available to inspect and post weight limits for town bridges.

Subd. 6. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

Subd. 7. **Permit information.** The commissioner must make information available to local road authorities on an Internet Web site that identifies permit issuances under this section and the counties in which a vehicle with a permit is intended to be operated.

Subd. 8. **Local preferred routes.** A local road authority may identify local preferred routes for operating a vehicle on local streets and highways under a permit issued in this section. A holder of a permit issued in this section and any person who seeking to apply for a permit are encouraged to:

(1) upon request of a local road authority, provide comment on identification of preferred routes; and

(2) make reasonable efforts to operate a vehicle on the preferred routes when operating under the permit.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 33. Minnesota Statutes 2016, section 169.871, subdivision 1, is amended to read:

Subdivision 1. **Civil liability.** (a) The owner or lessee of a vehicle that is operated with a gross weight in excess of a weight limit imposed under sections 169.823 to ~~169.829~~ 169.8295, 169.84 to 169.851, and 169.87 or a shipper who ships or tenders goods for shipment in a single truck or combination vehicle that exceeds a weight limit imposed under sections 169.823 to 169.829, 169.84 to 169.851, and 169.87 is liable for a civil penalty as follows:

(1) if the total gross excess weight is not more than 1,000 pounds, one cent per pound for each pound in excess of the legal limit;

(2) if the total gross excess weight is more than 1,000 pounds but not more than 3,000 pounds, \$10 plus five cents per pound for each pound in excess of 1,000 pounds;

(3) if the total gross excess weight is more than 3,000 pounds but not more than 5,000 pounds, \$110 plus ten cents per pound for each pound in excess of 3,000 pounds;

(4) if the total gross excess weight is more than 5,000 pounds but not more than 7,000 pounds, \$310 plus 15 cents per pound for each pound in excess of 5,000 pounds;

(5) if the total gross excess weight is more than 7,000 pounds, \$610 plus 20 cents per pound for each pound in excess of 7,000 pounds.

(b) Notwithstanding any other law to the contrary, if a person found guilty of a violation of a weight limit imposed under this section or sections 169.823 to 169.829, 169.84 to 169.851, or 169.87 is also found by the court to have knowingly and contemporaneously attempted to evade a fixed weigh station or to otherwise avoid weighing by means of stationary scales under section 169.85 or other law, the court shall impose a penalty of twice the amount otherwise authorized under paragraph (a).

(c) Any penalty imposed upon a defendant under this subdivision shall not exceed the penalty prescribed by this subdivision. Any fine paid by the defendant in a criminal overweight action that arose from the same overweight violation shall be applied toward payment of the civil penalty under this subdivision. A peace officer or Department of Public Safety employee described in section

299D.06 who cites a driver for a violation of the weight limitations established by sections 169.81 to 169.851 and 169.87 shall give written notice to the driver that the driver or another may also be liable for the civil penalties provided herein in the same or separate proceedings.

(d) A penalty imposed upon the owner or lessee of a vehicle that is based on violations identified by the use of shippers' weight records under section 169.872 must not exceed an aggregate of \$10,000.

Sec. 34. Minnesota Statutes 2016, section 171.12, subdivision 6, is amended to read:

Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph (c), the department ~~shall~~ must not keep on the record of a driver any conviction for a violation of a speed limit of 55 miles per hour unless the violation consisted of a speed greater than ten miles per hour in excess of the speed limit.

(b) Except as provided in paragraph (c), the department ~~shall~~ must not keep on the record of a driver any conviction for a violation of a speed limit of 60 miles per hour unless the violation consisted of a speed greater than:

(1) ten miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2012, and before August 1, 2014; or

(2) five miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2014.

(c) This subdivision does not apply to (1) a violation that occurs in a commercial motor vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's license or commercial driver learner's permit, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

Sec. 35. Minnesota Statutes 2016, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. **Revision of statewide multimodal transportation plan.** (a) The commissioner ~~shall~~ must revise the statewide multimodal transportation plan by January 15, ~~2013~~ 2022, and by January 15 of every ~~four~~ five years thereafter. Before final adoption of a revised plan, the commissioner ~~shall~~ must hold a hearing to receive public comment on the preliminary draft of the revised plan.

(b) Each revised statewide multimodal transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01;

(2) establish objectives, policies, and strategies for achieving those goals; and

(3) identify performance targets for measuring progress and achievement of transportation system goals, objectives, or policies.

Sec. 36. Minnesota Statutes 2016, section 174.03, subdivision 1c, is amended to read:

Subd. 1c. **Statewide highway 20-year capital investment plan.** ~~By January 15, 2013, and in conjunction with~~ Within one year of each future revision of the statewide multimodal transportation

plan under subdivision 1a, the commissioner ~~shall~~ must prepare a 20-year statewide highway capital investment plan that:

(1) incorporates performance measures and targets for assessing progress and achievement of the state's transportation goals, objectives, and policies identified in this chapter for the state trunk highway system, and those goals, objectives, and policies established in the statewide multimodal transportation plan. Performance targets must be based on objectively verifiable measures, and address, at a minimum, preservation and maintenance of the structural condition of state highway bridges and pavements, safety, and mobility;

(2) summarizes trends and impacts for each performance target over the past five years;

(3) summarizes the amount and analyzes the impact of the department's capital investments and priorities over the past five years on each performance target, including a comparison of prior plan projected costs with actual costs;

(4) identifies the investments required to meet the established performance targets over the next 20-year period;

(5) projects available state and federal funding over the 20-year period, including any unique, competitive, time-limited, or focused funding opportunities;

(6) identifies strategies to ensure the most efficient use of existing transportation infrastructure, and to maximize the performance benefits of projected available funding;

(7) establishes investment priorities for projected funding, including a schedule of major projects or improvement programs for the 20-year period together with projected costs and impact on performance targets; and

(8) identifies those performance targets identified under clause (1) not expected to meet the target outcome over the 20-year period together with alternative strategies that could be implemented to meet the targets.

Sec. 37. [174.95] PROJECT SELECTION REQUIREMENTS.

(a) The commissioner, after consultation with the Federal Highway Administration, metropolitan planning organizations, regional development commissions, area transportation partnerships, local governments, the Metropolitan Council, and transportation stakeholders, must develop, adopt, and implement a project evaluation and selection policy to apply to the standard project selection process. The commissioner may update the policy only after consultation with the Federal Highway Administration, metropolitan planning organizations, regional development commissions, area transportation partnerships, local governments, the Metropolitan Council, and transportation stakeholders. The commissioner must publicize the policy and updates on the department's Web site and through other effective means selected by the commissioner.

(b) The policy adopted under this section must include:

(1) a ranking system that assigns scores to each project, the criteria that will be considered, and the weight of each criterion; the ranking system may consider project readiness as a criterion for evaluation, but project readiness must not be a major factor in determining the final score;

(2) a process to inform the stakeholders and the general public of the score for each project considered, which projects were selected, and which projects were not selected; and

(3) a process that requires the involvement of area transportation partnerships and other local authorities in the process of ranking and scoring projects.

(c) The projects in the state transportation improvement program must include the score assigned to the project under this section. The projects must be prioritized based on the score assigned and executed in that priority order.

(d) The policy required by this section must be adopted by October 1, 2018, and must be applied to project evaluation and selection that occurs on or after that date. The assigned scores must first appear in the first state transportation improvement program update that is completed on or after October 1, 2018.

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

Sec. 38. Minnesota Statutes 2016, section 221.031, is amended by adding a subdivision to read:

Subd. 2e. **Exemptions for pipeline welding trucks.** A pipeline welding truck, as defined in Code of Federal Regulations, title 49, section 390.38, paragraph (b), including an individual operating a pipeline welding truck and the employer of the individual, is exempt from any requirement relating to:

(1) registration as a motor carrier, including the requirement to obtain and display a United States Department of Transportation number under subdivision 6 and section 168.185;

(2) driver qualifications under section 221.0314, subdivision 2;

(3) driving of commercial motor vehicles under section 221.0314, subdivision 6;

(4) parts, accessories, and inspection, repair, and maintenance of commercial motor vehicles under section 221.0314, subdivisions 7 and 10; and

(5) hours of service of drivers, including maximum driving and on-duty time under section 221.0314, subdivision 9.

Sec. 39. **CONVEYANCE FOR HISTORICAL PURPOSES; MCKINSTRY SURPLUS LANDS.**

(a) Notwithstanding any other law to the contrary, the commissioner may convey as provided in Minnesota Statutes, section 161.44, land described in paragraph (b), including any improvements on the lands, owned in fee by the state for trunk highway purposes, but no longer needed, to the Minnesota Historical Society for historical purposes. The conveyance must be without financial consideration. The lands conveyed must become a part of the state's historic sites program under Minnesota Statutes, chapter 138.

(b) The lands that may be conveyed are specifically related to the properties of the McKinstry Mounds and portions of the McKinstry Village site owned by the Department of Transportation, located along Trunk Highway 11 in Koochiching County.

Sec. 40. **DEFICIENT BRIDGE WEIGHT LIMITS; STUDY AND ANALYSIS.**

(a) By November 15, 2017, the commissioner of transportation must complete a study and analysis of posted weight limits on state and local bridges to identify deficient bridges in those geographic regions of the state where fluid milk is transported from points of production to points of first processing. The study and analysis must:

(1) identify bridges with posted weight limits;

(2) review the vehicle weight limits under Minnesota Statutes, chapter 169, including Minnesota Statutes, section 169.8295, relative to bridge posting standards;

(3) analyze vehicle routing considerations for transportation of fluid milk; and

(4) include geographic mapping information that is made available to milk haulers, milk processing facilities, local road authorities, and other interested stakeholders.

(b) Upon request by the commissioner, local road authorities must provide information on bridges under their respective jurisdictions in a timely manner.

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

Sec. 41. **HIGHWAY CONSTRUCTION COSTS STUDY.**

Subdivision 1. **Construction costs study; report.** (a) The commissioner of transportation must enter into an agreement to conduct a study with an organization or entity having relevant expertise.

(b) At a minimum, the study must include:

(1) an overview of highway construction cost issues;

(2) comparison of costs in Minnesota relative to other states and regions;

(3) identification of factors specific to Minnesota, if any, that contribute to cost differences;

(4) evaluation of the methodology used for highway construction cost calculation and indexing in Minnesota, including review of associated best practices; and

(5) specific recommendations for road authorities and legislative changes to reduce highway construction costs.

(c) By February 15, 2018, the commissioner must submit a report on the study to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and finance.

Subd. 2. **Project cost comparison report.** By February 15, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of

representatives committees and divisions with jurisdiction over transportation policy and finance comparing the estimated cost of projects and the actual cost of projects. The report must include all projects completed in whole or in part by MnDOT from July 1, 2007, to July 1, 2017. For each project, the report must list the estimated cost of the project prior to starting the project and the total actual cost for the project after completion. For each project, if the actual cost was less than the estimated cost, the report must explain how the excess funds were expended.

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

Sec. 42. INTERSTATE 94/494/694 INTERCHANGE SAFETY IMPROVEMENT AND CONGESTION RELIEF STUDY.

The commissioner of transportation must conduct a safety improvement and congestion relief study for the interchange of signed Interstate Highways 94, 494, and 694 in the cities of Oakdale and Woodbury. At a minimum, the study must (1) provide specific recommendations to improve the safety of the interchange and reduce congestion at the interchange and on associated arterial roads, and (2) include cost estimates for each recommended improvement. The commissioner must report the findings and recommendations of the study to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance within 180 days after the effective date of this section.

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

Sec. 43. LEGISLATIVE ROUTE NO. 123 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 54, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Le Sueur County to transfer jurisdiction of Legislative Route No. 123 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes must delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 44. LEGISLATIVE ROUTE NO. 225 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 156, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Becker County to transfer jurisdiction of Legislative Route No. 225 and after the commissioner notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes must delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 45. REPORT TO LEGISLATURE ON PROJECT SELECTION POLICY.

By February 15, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over

transportation policy and finance concerning the policy adopted pursuant to Minnesota Statutes, section 174.95, and how the policy is anticipated to improve the consistency, objectivity, and transparency of the selection process. The report must include information on input from members of the public and the organizations identified in Minnesota Statutes, section 174.95, paragraph (a). The report must also include proposed legislation to codify the ranking system established in the policy.

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

Sec. 46. **REPORT BY COMMISSIONER OF TRANSPORTATION ON MNPASS LANES.**

On or before January 2, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over transportation policy and finance concerning MnPASS lanes to reduce congestion and raise revenue. The report must be prepared with existing appropriations. At a minimum, the report must:

(1) for each lane, state the capital costs, maintenance and repair costs, and operation costs;

(2) for each lane, indicate the current condition and the projected life expectancy;

(3) for each lane, list and explain the cost recovery ratio;

(4) list the amounts of the deposit of revenues made each year since pursuant to Minnesota Statutes, section 160.93, subdivisions 2 and 2a, including a breakdown of deposits for each lane for each year the lane has been in existence;

(5) list the cost to participate in the MnPASS program, broken down by each year a lane has been in existence;

(6) for each lane, list the total number of users, including a breakdown of the total number of each type of user; and

(7) provide an explanation of how MnPASS lane regulations are enforced.

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

Sec. 47. **REPORT BY COMMISSIONER OF TRANSPORTATION ON TOLLING.**

On or before January 2, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over transportation policy and finance concerning expanding the use of tolling in Minnesota in order to reduce congestion and raise revenue. The report must be prepared with existing appropriations. At a minimum, the report must:

(1) summarize current state and federal laws that affect the use of tolling in this state;

(2) identify any federal pilot projects for which this state is eligible to participate;

(3) discuss the feasibility and cost of expanding use of tolling, the possibility of private investment in toll roads, and projected costs and cost recovery in establishing, operating, and maintaining toll roads;

(4) review tolling models and technology options;

(5) summarize the experience of other states that have widely implemented tolling;

(6) identify and evaluate the feasibility of toll implementation for specific corridors;

(7) project the likely range of revenues that could be generated by wider implementation of tolling and identify the percentage of revenues that are projected to be paid by nonresidents of the state;

(8) discuss options for use of tolling revenue and measures to ensure compliance with laws governing operation of toll roads and use of revenues;

(9) recommend and discuss possible ways to reduce cost to Minnesotans, such as tax deductions or credits, or types of discounts; and

(10) provide recommendations for needed statutory or rule changes that would facilitate wider implementation of tolling and achieve maximum revenues for the state and equity for its residents.

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

Sec. 48. **REPORT BY COMMISSIONER OF TRANSPORTATION ON TURNBACKS.**

(a) By February 15, 2018, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance concerning turnbacks. At a minimum, the report must include:

(1) a current list of proposed turnback projects, including a description of each segment of highway that is to be turned back; a description of the restoration work to be completed; estimated cost of restoration work; to which entity the highway will be turned back; and the total estimated cost related to all aspects of the turnback;

(2) the amount that the commissioner of transportation anticipates will be needed for turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished with the anticipated funds;

(3) a description of the turnback process, including an explanation of how turnback projects are selected; and

(4) for each of the past five years:

(i) the amount of money that accrued to the county turnback account and to the municipal turnback account;

(ii) a description of each segment of highway that was restored and turned back, including what restoration work was completed; total cost of restoration work; to which entity the highway was turned back; and the total cost related to all aspects of the turnback; and

(iii) the amount of surplus funds, if any, that were transferred to the county state-aid highway fund or to the municipal state-aid street fund pursuant to Minnesota Statutes, section 161.084.

(b) By February 15, 2019, and each year thereafter, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance concerning turnbacks. At a minimum, the report must include:

(1) a current list of proposed turnback projects, including a description of each segment of highway that is to be turned back; a description of the restoration work to be completed; estimated cost of restoration work; to which entity the highway will be turned back; and the total estimated cost related to all aspects of the turnback;

(2) the amount that the commissioner of transportation anticipates will be needed for turnbacks during the next two fiscal years and a list of the turnbacks that will be accomplished with the anticipated funds; and

(3) for the past calendar year, a description of each segment of highway that was restored and turned back, including what restoration work was completed; total cost of restoration work; to which entity the highway was turned back; and the total cost related to all aspects of the turnback.

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

Sec. 49. SAFETY IMPROVEMENT PROJECT AT THE INTERSECTION OF HIGHWAY 55 AND WILKIN COUNTY ROAD 19.

(a) By September 1, 2017, the commissioner of transportation must report to the chairs and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over transportation policy and finance concerning the issue of trucks stopping on Wilkin County Road 19 between Highway 55 and the railroad tracks north of Highway 55. The commissioner must identify project options that would allow trucks to safely stop at this intersection, including an option to add a turn lane on County Road 19. For each identified project, the commissioner must include an estimated cost and the estimated time to complete the project. In preparing the report, the commissioner must consult with the Minn-Dak Farmers Cooperative, the city of Nashua, the town of Champion, and Wilkin County.

(b) Within 14 days after submitting the report required in paragraph (a), the commissioner must convene a working group consisting of the commissioner and one representative from each of the following: Minn-Dak Farmers Cooperative, Nashua city council, Champion town board, and Wilkin County board. The working group must consider the options identified in the report submitted pursuant to paragraph (a). If the working group reaches consensus on a proposed option, MnDOT must pursue that option.

(c) If the working group does not reach a consensus by January 1, 2018, the commissioner must (1) design and construct a turn lane on the north side of the intersection of Wilkin County Road 19

with Highway 55, or (2) install a four-way traffic light at the intersection. The project must be designed so that a school bus or semitrailer is able to stop at the intersection without extending into cross-traffic or over the railroad tracks.

(d) The commissioner must begin planning and construction of a project required in this section during the 2018 construction season. A project required under this section must be completed with the existing funds allocated for the district.

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

Sec. 50. **REPEALER.**

(a) Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; 160.266, subdivisions 1 and 2; and 161.115, subdivision 32, are repealed.

(b) Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500; 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911; 8810.9912; and 8810.9913, are repealed.

ARTICLE 5

TRANSIT

Section 1. Minnesota Statutes 2016, section 117.189, is amended to read:

117.189 PUBLIC SERVICE CORPORATION EXCEPTIONS.

(a) Sections 117.031; 117.036; 117.055, subdivision 2, paragraph (b); 117.186; 117.187; 117.188; and 117.52, subdivisions 1a and 4, do not apply to the use of eminent domain authority by public service corporations for any purpose other than construction or expansion of:

- (1) a high-voltage transmission line of 100 kilovolts or more, or ancillary substations; ~~or~~
- (2) a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor stations or pumping stations; or
- (3) a light rail transit or bus rapid transit line.

(b) For purposes of an award of appraisal fees under section 117.085, the fees awarded may not exceed \$1,500 for all types of property except for a public service corporation's use of eminent domain for a high-voltage transmission line, where the award may not exceed \$3,000.

(c) For purposes of this section, "pipeline" does not include a natural gas distribution line transporting gas to an end user.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2017.

Sec. 2. Minnesota Statutes 2016, section 473.388, subdivision 2, is amended to read:

Subd. 2. **Replacement service; eligibility.** (a) The council may provide assistance under the program to a statutory or home rule charter city or town or combination thereof, that:

(a) (1) is located in the metropolitan transit taxing district;

(b) (2) is not served by the council bus service or is served only with council bus routes which begin or end within the applying city or town or combination thereof; and

(c) (3) has fewer than four scheduled runs of council bus service during off-peak hours as defined by the Metropolitan Council.

(b) Eligible cities or towns or combinations thereof may apply on behalf of a transit operator with whom they propose to contract for service.

(c) The council may not provide assistance under this section to a statutory or home rule charter city or town unless:

(1) the city or town;

(i) was receiving assistance under Minnesota Statutes 1982, section 174.265, by July 1, 1984;

(ii) had submitted an application for assistance under that section by July 1, 1984; or

(iii) had submitted a letter of intent to apply for assistance under that section by July 1, 1984, and submits an application for assistance under this section by July 1, 1988. A statutory or home rule charter city or town has an additional 12-month extension if it notified the former regional transit board before July 1, 1988, that the city or town is in the process of completing a transportation evaluation study that includes an assessment of the local transit needs of the city or town; or

(2) the city or town submits an application for assistance under this section between July 1, 2017, and December 31, 2017.

Sec. 3. Minnesota Statutes 2016, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** (a) After operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs for a light rail transit line must be paid by the state if:

(1) the light rail transit line is in revenue operations as of the effective date of this section; or

(2) a law is enacted on or after the effective date of this section making an appropriation that (i) is from state sources, (ii) specifies the light rail transit project, and (iii) is for a portion of project capital costs.

(b) For a light rail transit line that does not meet the requirements in paragraph (a), all operating and ongoing capital maintenance costs must be paid from nonstate sources.

(c) For purposes of this subdivision, a light rail transit extension that adds additional stops is a separate project or light rail transit line.

EFFECTIVE DATE; APPLICABILITY. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. **METRO MOBILITY ENHANCEMENT TASK FORCE.**

Subdivision 1. Task force established. A Metro Mobility Enhancement Task Force is established to examine options to enhance Metro Mobility program service under Minnesota Statutes, section 473.386. The goal of the task force is to partner with taxi services and transportation network companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, paragraph (e), to increase program service levels and efficiency.

Subd. 2. Membership. (a) The task force consists of the following members:

(1) one representative from Metro Mobility, appointed by the Metropolitan Council;

(2) one elected official from each metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4, each of whom must be from a district or unit of government that is located within the Metro Mobility service area, appointed by the respective county board in consultation with cities in that county;

(3) at least one and no more than three individuals representing transportation network companies, as defined in Minnesota Statutes, section 65B.472, subdivision 1, appointed as provided under paragraph (b);

(4) at least one and no more than three individuals representing taxi service providers, appointed as provided in paragraph (c);

(5) one representative appointed by the Transportation Accessibility Advisory Committee established under Minnesota Statutes, section 473.375, subdivision 9a;

(6) one representative appointed by the Council on Disability;

(7) one individual appointed by the Association of Residential Resources of Minnesota;

(8) one individual, who must reside in a metropolitan county, appointed by the Best Choice Alliance; and

(9) one individual appointed by the Center for Transportation Studies at the University of Minnesota.

(b) An interested transportation network company may appoint no more than one person as a task force member. Appointment under this paragraph is on a first-come, first-appointed basis by written notification to the Metropolitan Council.

(c) An interested taxi service provider may appoint no more than one person as a task force member. Appointment under this paragraph is on a first-come, first-appointed basis by written notification to the Metropolitan Council.

Subd. 3. **Task force duties.** (a) The task force must evaluate the Metro Mobility program, which must include but is not limited to analysis of customer service, program costs and expenditures, service coverage area and hours, reservation and scheduling, and buses and equipment.

(b) The task force must analyze approaches to improve Metro Mobility program service by using partnerships with transportation network companies. At a minimum, the analysis must consider:

(1) geographic service areas of transportation network companies;

(2) demand responsiveness and service levels of transportation network companies;

(3) share of trips in which specially equipped vehicles that comply with the Americans with Disabilities Act are necessary;

(4) technology accessibility for Metro Mobility customers;

(5) liability considerations; and

(6) integration of billing systems of transportation network companies with current Metro Mobility fare collection.

(c) The task force must analyze approaches to improve Metro Mobility program service by incorporating the use of taxi service. At a minimum, the analysis must consider:

(1) availability of taxi service throughout the Metro Mobility service area;

(2) demand responsiveness and service levels of taxi services;

(3) share of trips in which specially equipped vehicles that comply with the Americans with Disabilities Act are necessary;

(4) technology accessibility for Metro Mobility customers;

(5) liability considerations;

(6) options for contracting with taxi providers or other methods of billing for taxi rides; and

(7) the potential to use taxi service to provide an enhanced service option where riders pay a higher fare than other users of Metro Mobility Services.

(d) The task force must review proposals and models for incorporating transportation network companies and taxi service providers into transit systems in other service areas.

Subd. 4. **Administration.** (a) Each appointing entity under subdivision 2 must make appointments and notify the Metropolitan Council by August 1, 2017.

(b) The Metropolitan Council representative appointed to the task force must convene the initial meeting of the task force no later than September 1, 2017. At the initial meeting, the members of the task force must elect a chair or co-chairs from among the task force members.

(c) Upon request of the task force, the council must use existing resources to provide data, information, meeting space, and administrative services.

(d) Members of the task force serve without compensation or payment of expenses.

(e) The task force may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the Metropolitan Council. Funds received under this paragraph are appropriated to the Metropolitan Council for purposes of the task force.

Subd. 5. **Legislative report.** (a) By February 15, 2018, the task force must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

(b) At a minimum the report must:

(1) summarize the work of the task force and its findings;

(2) describe the current Metro Mobility program;

(3) identify at least three potential service level approaches that involve partnering with and incorporating transportation network companies, taxi service providers, or both; and

(4) provide any recommendations for program and legislative changes.

Subd. 6. **Expiration.** The task force under this section expires February 15, 2018, or upon submission of the report required under subdivision 5, whichever is earlier.

Sec. 5. VIBRATION SUSCEPTIBILITY STUDY ON CALHOUN ISLES PROPERTY.

Within 21 days from the effective date of this act, the Metropolitan Council must enter into a contract with an engineering group for the engineering group to conduct a vibration susceptibility study on Calhoun Isles property, including the high-rise building, townhomes, and parking ramp. The study must:

(1) evaluate the susceptibility of the Calhoun Isles property to vibration during construction and during operations of a light rail train;

(2) categorize the Calhoun Isles property based on the susceptibility evaluation; and

(3) address mitigation measures and operational changes required to protect the Calhoun Isles property from vibratory damage.

The Calhoun Isles Condominium Association must select the engineering group and notify the Metropolitan Council of the selection within seven days from the effective date of this act. The Metropolitan Council must bear the entire cost of the study.

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

ARTICLE 6**DEPARTMENT OF PUBLIC SAFETY**

Section 1. Minnesota Statutes 2016, section 168.021, subdivision 1, is amended to read:

Subdivision 1. **Disability plates; application.** (a) When a motor vehicle registered under section 168.017, a motorcycle, a motorized bicycle, a one-ton pickup truck, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled minor, the owner may apply for and secure from the commissioner (1) immediately, a temporary permit valid for 30 days if the applicant is eligible for the disability plates issued under this section and (2) two disability plates with attached emblems, one plate to be attached to the front, and one to the rear of the motor vehicle, truck, or recreational vehicle, or, in the case of a motorcycle or a motorized bicycle, one disability plate the same size as a regular motorcycle plate.

(b) The commissioner shall not issue more than one plate to the owner of a motorcycle or a motorized bicycle and not more than one set of plates to any owner of another vehicle described in paragraph (a) at the same time unless the state Council on Disability approves the issuance of a second plate or set of plates to an owner.

(c) When the owner first applies for the disability plate or plates, the owner must submit a medical statement in a format approved by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(d) No medical statement or proof of disability is required when an owner applies for a plate or plates for one or more vehicles listed in paragraph (a) that are specially modified for and used exclusively by permanently physically disabled persons.

(e) The owner of a vehicle listed in paragraph (a) may apply for and secure (i) immediately, a permit valid for 30 days, if the applicant is eligible to receive the disability plate or plates issued under this section, and (ii) a disability plate or plates for the vehicle if:

(1) the owner employs a permanently physically disabled person who would qualify for the disability plate or plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 168.021, subdivision 2, is amended to read:

Subd. 2. **Plate design; furnished by commissioner.** The commissioner shall design and furnish two disability plates, or one disability plate for a motorcycle or a motorized bicycle that is the same size as a regular motorcycle plate, with attached emblem or emblems to an eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 326B.106, subdivision 9, approximately three inches square. The emblem must be large enough to be visible

plainly from a distance of 50 feet. An applicant eligible for a disability plate or plates shall pay the motor vehicle registration fee authorized by sections 168.013 and 168.09.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 3. Minnesota Statutes 2016, section 168.021, subdivision 2a, is amended to read:

Subd. 2a. **Plate transfer.** (a) When ownership of a vehicle described in subdivision 1, is transferred, the owner of the vehicle shall remove the disability plate or plates. The buyer of the motor vehicle is entitled to receive a regular plate or plates for the vehicle without further cost for the remainder of the registration period.

(b) Notwithstanding section 168.12, subdivision 1, the disability plate or plates may be transferred to a replacement vehicle on notification to the commissioner. However, the disability plate or plates may not be transferred unless the replacement vehicle (1) is listed under section 168.012, subdivision 1, and, in case of a single plate for a motorcycle or a motorized bicycle, the replacement vehicle is a motorcycle or a motorized bicycle, and (2) is owned or primarily operated by the permanently physically disabled person.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 4. **[168.1294] LAW ENFORCEMENT MEMORIAL PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue special law enforcement memorial license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational motor vehicle;

(2) pays an additional fee of \$10 for each set of plates;

(3) pays the registration tax as required under section 168.013, along with any other fees required by this chapter;

(4) contributes \$25 upon initial application and a minimum of \$5 annually to the law enforcement memorial account; and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The commissioner, in consultation with representatives from the Minnesota Law Enforcement Memorial Association, must adopt a suitable design for the plate that must include a blue line with a black line of equal proportion above and below the blue line, representing the thin blue line.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates may be transferred to another qualified motor vehicle that is registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Fees.** Fees collected under subdivision 1, clauses (2) and (3), and subdivision 3 are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **Contributions; memorial account; appropriation.** Contributions collected under subdivision 1, clause (4), must be deposited in the Minnesota law enforcement memorial account, which is established in the special revenue fund. Money in the account is appropriated to the commissioner of public safety. This appropriation is first for the annual cost of administering the account funds, and the remaining funds are for distribution to the Minnesota Law Enforcement Memorial Association to be used to further the mission of the association in assisting the families and home agencies of Minnesota law enforcement officers who have died in the line of duty.

EFFECTIVE DATE. This section is effective January 1, 2018, for special law enforcement memorial plates issued on or after that date.

Sec. 5. **[168.1295] "START SEEING MOTORCYCLES" PLATES.**

Subdivision 1. **Issuance of plates.** The commissioner must issue special "Start Seeing Motorcycles" license plates or a single motorcycle plate to an applicant who:

(1) is a registered owner of a passenger automobile, noncommercial one-ton pickup truck, motorcycle, or recreational motor vehicle;

(2) pays a fee of \$10 for each set of plates;

(3) pays the registration tax as required under section 168.013, along with any other fees required by this chapter;

(4) contributes a minimum of \$10 annually to the motorcycle safety fund, created under section 171.06, subdivision 2a, paragraph (a), clause (1); and

(5) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** The representatives of American Bikers for Awareness, Training, and Education of Minnesota must design the special plate to contain the inscription "Start Seeing Motorcycles" between the bolt holes on the bottom of the plate with a design area on the left side of the plate, subject to the approval of the commissioner.

Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer fee of \$5, special plates issued under this section may be transferred to another motor vehicle if the subsequent vehicle is:

(1) qualified under subdivision 1, clause (1), to bear the special plates; and

(2) registered to the same individual to whom the special plates were originally issued.

Subd. 4. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

Subd. 5. **Fees.** Fees collected under subdivision 1, clause (2), and subdivision 3 are credited to the vehicle services operating account in the special revenue fund.

Subd. 6. **No refund.** Contributions under this section must not be refunded.

EFFECTIVE DATE. This section is effective January 1, 2018, for special "Start Seeing Motorcycles" plates issued on or after that date.

Sec. 6. Minnesota Statutes 2016, section 168A.09, subdivision 1, is amended to read:

Subdivision 1. **Application, issuance, form, bond, and notice.** In the event a certificate of title is lost, stolen, mutilated, or destroyed, or becomes illegible, the owner or legal representative of the owner named in the certificate may ~~make~~ submit an application to the department or a deputy registrar for a duplicate in a format prescribed by the department. The department ~~shall~~ or deputy registrar must issue a duplicate certificate of title if satisfied that the applicant is entitled ~~thereto~~ to the duplicate certificate of title. The duplicate certificate of title ~~shall~~ must be plainly marked as a duplicate and mailed or delivered to the owner. The department ~~shall~~ or deputy registrar must indicate in ~~its~~ the driver and vehicle information system records that a duplicate certificate of title has been issued. As a condition to issuing a duplicate certificate of title, the department may require a bond from the applicant in the manner and format prescribed in section 168A.07, subdivision 1, clause (2). The duplicate certificate of title ~~shall~~ must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate."

Sec. 7. **[168A.125] TRANSFER-ON-DEATH TITLE TO MOTOR VEHICLE.**

Subdivision 1. **Titled as transfer-on-death.** A natural person who is the owner of a motor vehicle may have the motor vehicle titled in transfer-on-death or TOD form by including in the application for the certificate of title a designation of a beneficiary or beneficiaries to whom the motor vehicle must be transferred on death of the owner or the last survivor of joint owners with rights of survivorship, subject to the rights of secured parties.

Subd. 2. **Designation of beneficiary.** A motor vehicle is registered in transfer-on-death form by designating on the certificate of title the name of the owner and the names of joint owners with identification of rights of survivorship, followed by the words "transfer-on-death to (name of beneficiary or beneficiaries)." The designation "TOD" may be used instead of "transfer-on-death." A title in transfer-on-death form is not required to be supported by consideration, and the certificate of title in which the designation is made is not required to be delivered to the beneficiary or beneficiaries in order for the designation to be effective. If the owner of the motor vehicle is married at the time of the designation, the designation of a beneficiary other than the owner's spouse requires the spouse's written consent.

Subd. 3. **Interest of beneficiary.** The transfer-on-death beneficiary or beneficiaries have no interest in the motor vehicle until the death of the owner or the last survivor of joint owners with rights of survivorship. A beneficiary designation may be changed at any time by the owner or by all joint owners with rights of survivorship, without the consent of the beneficiary or beneficiaries, by filing an application for a new certificate of title.

Subd. 4. **Vesting of ownership in beneficiary.** Ownership of a motor vehicle titled in transfer-on-death form vests in the designated beneficiary or beneficiaries on the death of the owner or the last of the joint owners with rights of survivorship, subject to the rights of secured parties. The transfer-on-death beneficiary or beneficiaries who survive the owner may apply for a new certificate of title to the motor vehicle upon submitting a certified death record of the owner of the motor vehicle. If no transfer-on-death beneficiary or beneficiaries survive the owner of a motor vehicle, the motor vehicle must be included in the probate estate of the deceased owner. A transfer of a motor vehicle to a transfer-on-death beneficiary or beneficiaries is not a testamentary transfer.

Subd. 5. **Rights of creditors.** (a) This section does not limit the rights of any secured party or creditor of the owner of a motor vehicle against a transfer-on-death beneficiary or beneficiaries.

(b) The state or a county agency with a claim or lien authorized by section 246.53, 256B.15, 261.04, or 270C.63 is a creditor for purposes of this subdivision. A claim authorized by section 256B.15 against the estate of an owner of a motor vehicle titled in transfer-on-death form voids any transfer-on-death conveyance of a motor vehicle as described in this section. A claim or lien under section 246.53, 261.04, or 270C.63 continues to apply against the designated beneficiary or beneficiaries after the transfer under this section if other assets of the deceased owner's estate are insufficient to pay the amount of the claim. The claim or lien continues to apply to the motor vehicle until the designated beneficiary sells or transfers it to a person against whom the claim or lien does not apply and who did not have actual notice or knowledge of the claim or lien.

Sec. 8. Minnesota Statutes 2016, section 168A.141, is amended to read:

168A.141 MANUFACTURED HOME AFFIXED TO REAL PROPERTY.

Subdivision 1. **Certificates surrendered for cancellation.** (a) When a manufactured home is to be affixed or is affixed, as defined in section 273.125, subdivision 8, paragraph (b), to real property, ~~and financed by the giving of a mortgage on the real property,~~ the owner of the manufactured home ~~shall~~ may surrender the manufacturer's certificate of origin or certificate of title to the department for cancellation. ~~The owner of so that the manufactured home shall give the department the address and legal description of the~~ becomes an improvement to real property. ~~The department may require the filing of other information~~ and is no longer titled as personal property. The department must not issue a certificate of title for a manufactured home under chapter 168A if the manufacturer's certificate of origin is or has been surrendered under this subdivision, except as provided in section 168A.142. Upon surrender of the manufacturer's certificate of origin or the certificate of title, the department shall issue notice of surrender to the owner, and upon recording an affidavit of affixation, which the county recorder or registrar of titles, as applicable, shall accept, the manufactured home is deemed to be an improvement to real property. ~~The notice of surrender may be recorded in the office of the county recorder or with the registrar of titles if the land is registered but need not contain an acknowledgment.~~ An affidavit of affixation by the owner of the manufactured home must include the following information:

(1) the name, residence address, and mailing address of owner or owners of the manufactured home;

(2) the legal description of the real property in which the manufactured home is, or will be, located;

(3) a copy of the surrendered manufacturer's certificate of origin or certificate of title and the notice of surrender;

(4) a written statement from the county auditor or county treasurer of the county where the manufactured home is located stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid, or are not applicable;

(5) the name and address of the person designated by the applicant to record the original affidavit of affixation with the county recorder or registrar of titles for the county where the real property is located;

(6) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state;

(7) the person designated in clause (5) shall record, or arrange for the recording of, the affidavit of affixation, accompanied by the fees for recording and for issuing a certified copy of the notice, including all attachments, showing the recording date; and

(8) upon obtaining the certified copy of the notice under clause (7), the person designated in the affidavit shall deliver the certified copy to the county auditor of the county in which the real property to which the manufactured home was affixed is located.

(b) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, if the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 1a. **Affidavit form.** The affidavit referred to in subdivision 1 shall be in substantially the following form and shall contain the following information.

MANUFACTURED HOME AFFIDAVIT OF AFFIXATION

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.141

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
-----------------	-------------	----------------------------	--------------------------------	----------------------------------	---------------------

2. A copy of the surrendered manufacturer's certificate of origin or certificate of title is attached hereto.

3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached hereto.

4. The home is or will be located at the following "Property Address":

.....

Street or Route City County State Zip Code

5. The legal description of the property address ("land") is as follows or as attached hereto:

.....
.....
.....

6. The homeowner is the owner of the land.

7. The home is, or shall be promptly upon delivery, anchored to the land by attachment to a permanent foundation and connected to appropriate residential utilities (e.g., water, gas, electricity, sewer).

8. The homeowner intends that the home be an immovable permanent improvement to the land, free of any personal property security interest.

9. A copy of the written statement from the county auditor or county treasurer of the county in which the manufactured home is then located, stating that all property taxes payable in the current year (pursuant to Minnesota Statutes, section 273.125, subdivision 8, paragraph (b)), have been paid, or are not applicable, is attached hereto.

10. The home shall be assessed and taxed as an improvement to the land.

11. The name and address of the person designated by the homeowner to record the original affidavit of surrender with the county recorder or registrar of titles of the county in which the real estate is located is:

Name
Street Address
City, State, Zip Code
Phone
E-mail

IN WITNESS WHEREOF, homeowner(s) have executed this affidavit on this day of, 20...

Homeowner Signature

Address

Printed Name

City, State

Homeowner Signature (if applicable)

Printed Name

This instrument was drafted by, and when recorded return to:

.....

.....
.....

Subscribed and sworn to before me this day of,

.....
Signature of Notary Public or Other Official

Notary Stamp or Seal

(optional)

Lender's Statement of Intent:

The undersigned ("lender") intends that the home be immovable and a permanent improvement to the land free of any personal property security interest.

.....
Lender

By:

Authorized Signature

STATE OF

.....) ss:

COUNTY OF

On the day of in the year before me, the undersigned, a Notary Public in and for said state, personally appeared

.....
personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

.....
Notary Signature

.....
Notary Printed Name

Notary Public, State of

Qualified in the County of

My commission expires

Official seal:

Subd. 2. **Perfected security interest ~~avoids cancellation~~ prevents surrender.** The department may not cancel a certificate of title if, under this chapter a security interest has been perfected on the manufactured home. If a security interest has been perfected, the department shall notify the

owner ~~and~~ that each secured party that the must release or satisfy the security interest prior to proceeding with surrender of the manufacturer's certificate of origin or certificate of title and a description of the security interest have been surrendered to the department and that the department will not cancel the certificate of title until the security interest is satisfied for cancellation. Permanent attachment to real property or the recording of an affidavit of affixation does not extinguish an otherwise valid security interest in or tax lien on the manufactured home, unless the requirements of section 168A.141, subdivisions 1, 1a, and 2, including the release of any security interest, have been satisfied.

Subd. 3. **Notice of security interest avoids surrender.** ~~The manufacturer's certificate of origin or the certificate of title need not be surrendered to the department under subdivision 1~~ When a perfected security interest exists, or will exist, on the manufactured home at the time the manufactured home is affixed to real property, ~~if~~ and the owner has not satisfied the requirements of section 168A.141, subdivision 1, the owner of the manufactured home ~~files,~~ or its secured party, may record a notice with the county recorder, or with the registrar of titles, if the land is registered, stating that the manufactured home located on the property is encumbered by a perfected security interest and is not an improvement to real property. The notice must state the name and address of the secured party as set forth on the certificate of title, the legal description of the real property, and the name and address of the record fee owner of the real property on which the manufactured home is affixed. When the security interest is released or satisfied, the secured party shall attach a copy of the release or satisfaction to a notice executed by the secured party containing the county recorder or registrar of titles document number of the notice of security interest. The notice of release or satisfaction must be ~~filed~~ recorded with the county recorder, or registrar of titles, if the land is registered. Neither the notice described in this subdivision nor the security interest on the certificate of title is deemed to be an encumbrance on the real property. The notices provided for in this subdivision need not be acknowledged.

Sec. 9. Minnesota Statutes 2016, section 168A.142, is amended to read:

168A.142 MANUFACTURED HOME UNAFFIXED FROM REALTY.

Subdivision 1. **Certificate of title requirements.** The department shall issue an initial certificate of title or reissue a previously surrendered certificate of title for a manufactured home to an applicant if:

(1) ~~for the purpose of affixing the manufactured home to real property,~~ the owner of the manufactured home, or a previous owner, surrendered the manufacturer's certificate of origin or certificate of title to the department as provided in section 168A.141, subdivision 1 ~~or 2~~;

(2) the applicant provides the written proof evidence specified in subdivision 2 ~~that the applicant owns (i) the manufactured home and (ii) the real property to which the manufactured home was affixed as provided under section 273.125, subdivision 8, paragraph (b);~~

(3) ~~the applicant provides proof that no liens exist on the manufactured home, including liens on the real property to which it is affixed; and~~

(4) ~~(3)~~ the owner of the manufactured home meets fulfills the applicable application requirements of section 168A.04~~;~~₂ and

(4) the application is accompanied by a written statement from the county auditor or county treasurer of the county in which the manufactured home is then located and affixed, stating that all property taxes payable in the current year, as provided under section 273.125, subdivision 8, paragraph (b), have been paid.

Subd. 2. **Proof Evidence of eligibility for reissuance.** (a) The ~~proof~~ evidence required under subdivision 1, ~~clauses clause (2) and (3)~~, is as follows:

(1) an affidavit of severance recorded in the office of the county recorder or registrar of titles, ~~which they shall accept, and whichever applies to the real property, of the county in which where the affidavit of affixation or notice of surrender was recorded under as required in section 168A.141, subdivision 1, and the affidavit of severance contains:~~

(i) the name, residence address, and mailing address of the owner or owners of the manufactured home;

(ii) a description of the manufactured home being severed, including the name of the manufacturer; ~~the make, model number, model year, and dimensions, and if available, the make, model year, and manufacturer's serial number of the manufactured home; and whether the manufactured home is new or used,~~ such information as may be available from the previously recorded affidavit of affixation or notice of surrender as required in section 168A.141, subdivision 1; and

(iii) a statement of any facts or information known to the person executing the affidavit that could affect the validity of the title of the manufactured home ~~or, the existence or nonexistence of a security interest in the manufactured home or a lien on it, or,~~ and a statement that no such facts or information are known to the person executing the affidavit;

(2) as an attachment to the affidavit of severance, an opinion by an attorney admitted to practice law in this state, stating:

(i) the nature of the examination of title performed prior to giving this opinion by the person signing the opinion;

(ii) that the manufactured home and the real property on which it is located is not subject to, or pending completion of a refinance, purchase, or sale transaction, and will not be subject to any recorded mortgages, security interests, liens, or other encumbrances of any kind;

(iii) that the person signing the opinion knows of no facts or circumstances that could affect the validity of the title of the manufactured home or the existence or nonexistence of any recorded mortgages, security interests, or other encumbrances of any kind, other than property taxes payable in the year the affidavit is signed;

(iv) the person or persons owning record title to the real property to which the manufactured home has been affixed and the nature and extent of the title owned by each of these persons; and

(v) that the person signing the opinion has reviewed all provisions of the affidavit of severance and certifies that they are correct and complete to the best of the knowledge of the person signing the opinion;

(3) the name and address of the person ~~or~~ persons designated by the applicant to file a certified copy of the original affidavit of severance with the county auditor of the county in which the real estate is located, after the affidavit has been properly recorded in the office of the county recorder or county registrar of titles, whichever applies to the real property; and

(4) the signature of the person who executes the affidavit, properly executed before a person authorized to authenticate an affidavit in this state.

(b) The person designated in paragraph (a), clause (3), shall record, or arrange for the recording of, the affidavit of severance as referenced in that item, accompanied by the fees for recording and for issuing a certified copy of the affidavit, including all attachments, showing the recording date.

(c) Upon obtaining the certified copy under paragraph (b), the person designated in the affidavit shall deliver the certified copy to the county auditor of the county in which the real estate to which it was affixed is located.

(d) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents presented to the department under this section, so long as the documents presented appear to satisfy the requirements of this section. The department has no obligation to investigate the accuracy of statements contained in the documents.

Subd. 3. Affidavit form. The affidavit referred to in subdivision 2 shall be in substantially the following form and shall contain the following information.

MANUFACTURED HOME AFFIDAVIT OF SEVERANCE

PURSUANT TO MINNESOTA STATUTES, SECTION 168A.142

Homeowner, being duly sworn, on his or her oath, states as follows:

1. Homeowner owns the manufactured home ("home") described as follows:

.....

<u>New/Used</u>	<u>Year</u>	<u>Manufacturer's Name</u>	<u>Model Name or Model No.</u>	<u>Manufacturer's Serial No.</u>	<u>Length/Width</u>
-----------------	-------------	----------------------------	--------------------------------	----------------------------------	---------------------

2. A copy of the previously surrendered manufacturer's certificate of origin or certificate of title is attached hereto (if available).

3. A copy of the notice of surrender issued from the Minnesota Department of Public Safety Driver and Vehicle Services is attached hereto (if available).

4. The home is or will be located at the following "Property Address":

.....
Street or Route City County State Zip Code

5. The legal description of the property address ("land") is as follows or as attached hereto:

.....
.....

.....
Signature of Notary Public or Other Official

Notary Stamp or Seal

Sec. 10. **[168A.143] MANUFACTURED HOMES; OWNERSHIP AT ISSUE.**

Subdivision 1. **Requirements for certificate issuance or reissuance.** When an applicant is unable to obtain from or locate previous owners no longer holding an interest in the manufactured home based on a certificate of title, or to locate, obtain, or produce the original certificate of origin or certificate of title for a manufactured home, and there is no evidence of a surrendered certificate of title or manufacturer's statement of origin as provided in section 168A.141, subdivision 1, which has not otherwise been unaffixed or is being unaffixed as provided in section 168A.142, the department must issue or reissue a certificate of title to a manufactured home when the applicant submits:

(1) the application, pursuant to the requirements of section 168A.04, in a form prescribed by the department;

(2) an affidavit that:

(i) identifies the name of the manufacturer and dimensions, and if available, the make, model number, model year, and manufacturer's serial number of the manufactured home; and

(ii) certifies the applicant is the owner of the manufactured home, has physical possession of the manufactured home, knows of no facts or circumstances that materially affect the validity of the title of the manufactured home as represented in the application, and provides copies of such ownership documents, so far as the documents exist, including by way of example:

(A) bill of sale;

(B) financing, replevin, or foreclosure documents;

(C) appraisal;

(D) insurance certification;

(E) personal property tax bill;

(F) landlord certification;

(G) affidavit of survivorship or estate documents;

(H) divorce decree; or

(I) court order;

(3) an affidavit by an attorney admitted to practice law in this state stating:

(i) the attorney has performed a search of the Minnesota Department of Public Safety Driver and Vehicles Services records within 120 days of the date of application to obtain a certificate of origin or certificate of title on behalf of the applicant, but was unable to determine the names or locations of one or more owners or prior owners of the manufactured home;

(ii) if applicable, the attorney was unable to successfully contact one or more owners, or prior owners, after providing written notice 45 days prior to the registered and last known owner by certified mail at the address shown on Driver and Vehicles Services records, or if the last known address is different from Driver and Vehicles Services records, then also the last known address as known to the applicant;

(iii) if the attorney is unable to contact one or more owners, or previous owners, by sending a letter by certified mail, then the attorney must present to the department, as an attachment to its affidavit, the returned letter as evidence of the attempted contact, or the acknowledgement of receipt of the letter, together with an affidavit of nonresponse; and

(iv) the attorney knows of no facts or circumstances that materially affect the validity of the title of the manufactured home as represented in the application, other than property taxes payable in the year the affidavit is signed; and

(4) payment for required current year taxes and fees as prescribed by the department.

Subd. 2. **Satisfaction of manufactured home security lien; release.** A security interest perfected under this chapter may be canceled seven years from the perfection date for a manufactured home, upon the request of the owner of the manufactured home, if the owner has paid the lien in full or the lien has been abandoned and the owner is unable to locate the lienholder to obtain a lien release. The owner must send a letter to the lienholder by certified mail, return receipt requested, stating the reason for the release and requesting a lien release. If the owner is unable to obtain a lien release by sending a letter by certified mail, then the owner must present to the department the returned letter as evidence of the attempted contact, or the acknowledgement of receipt of the letter, together with a copy of the letter and an owner affidavit of nonresponse.

Subd. 3. **Suspension or revocation of certificate.** (a) Pursuant to section 168A.23, the department may revoke a previously issued certificate of title issued under this section.

(b) The department is not liable for any errors, omissions, misstatements, or other deficiencies or inaccuracies in documents submitted to the department under this section, provided the documents submitted appear to satisfy the requirements of this section. The department is not required to investigate the accuracy of statements contained in submitted documents.

Sec. 11. Minnesota Statutes 2016, section 169.345, subdivision 1, is amended to read:

Subdivision 1. **Scope of privilege.** (a) A vehicle described in section 168.021, subdivision 1, paragraph (a), that prominently displays the certificate authorized by this section or that bears the disability plate or plates issued under section 168.021 may be parked by or solely for the benefit of a physically disabled person:

(1) in a designated parking space for disabled persons, as provided in section 169.346;

(2) in a metered parking space without obligation to pay the meter fee and without time restrictions unless time restrictions are separately posted on official signs; and

(3) without time restrictions in a nonmetered space where parking is otherwise allowed for passenger vehicles but restricted to a maximum period of time and that does not specifically prohibit the exercise of disabled parking privileges in that space.

A person may park the vehicle for a physically disabled person in a parking space described in clause (1) or (2) only when actually transporting the physically disabled person for the sole benefit of that person and when the parking space is within a reasonable distance from the drop-off point.

(b) For purposes of this subdivision, a certificate is prominently displayed if it is displayed so that it may be viewed from the front and rear of the motor vehicle by hanging it from the rearview mirror attached to the front windshield of the motor vehicle or, in the case of a motorcycle or a motorized bicycle, is secured to the vehicle. If there is no rearview mirror or if the certificate holder's disability precludes placing the certificate on the mirror, the certificate must be displayed on the dashboard of the vehicle. No part of the certificate may be obscured.

(c) Notwithstanding paragraph (a), clauses (1), (2), and (3), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and these ordinances also apply to physically disabled persons.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 12. Minnesota Statutes 2016, section 169.345, subdivision 3, is amended to read:

Subd. 3. **Identifying certificate.** (a) The commissioner shall issue (1) immediately, a permit valid for 30 days if the person is eligible for the certificate issued under this section and (2) an identifying certificate for a vehicle described in section 168.021, subdivision 1, paragraph (a), when a physically disabled applicant submits proof of physical disability under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet or, in the case of a motorcycle or a motorized bicycle, can be readily secured to the motorcycle or motorized bicycle. An applicant may be issued up to two certificates if the applicant has not been issued disability plates under section 168.021.

(b) The operator of a vehicle displaying a certificate has the parking privileges provided in subdivision 1 only while the vehicle is actually parked while transporting a physically disabled person.

(c) The commissioner shall cancel all certificates issued to an applicant who fails to comply with the requirements of this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 13. Minnesota Statutes 2016, section 171.06, subdivision 2a, is amended to read:

Subd. 2a. **Two-wheeled vehicle endorsement fee.** (a) The fee for any duplicate driver's license obtained for the purpose of adding a two-wheeled vehicle endorsement is increased by \$18.50 for each first such duplicate license and \$13 for each renewal thereof. The additional fee must be paid into the state treasury and credited as follows:

(1) \$11 of the additional fee for each first duplicate license, and \$7 of the additional fee for each renewal, must be credited to the motorcycle safety fund, which is hereby created; ~~provided that ten percent of fee receipts in excess of \$750,000 in a fiscal year must be credited to the general fund.~~

(2) The remainder of the additional fee must be credited to the general fund.

(b) All application forms prepared by the commissioner for two-wheeled vehicle endorsements must clearly state the amount of the total fee that is dedicated to the motorcycle safety fund.

Sec. 14. Minnesota Statutes 2016, section 256B.15, subdivision 1a, is amended to read:

Subd. 1a. **Estates subject to claims.** (a) If a person receives medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, or as otherwise provided for in this section, the amount paid for medical assistance as limited under subdivision 2 for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate or to issue a decree of descent according to sections 525.31 to 525.313.

(b) For the purposes of this section, the person's estate must consist of:

(1) the person's probate estate;

(2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death;

(3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent the interests or proceeds of those interests become part of the probate estate under section 524.6-307;

(4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent the interests become part of the probate estate under section 524.6-207; and

(5) assets conveyed to a survivor, heir, or assign of the person through survivorship, living trust, transfer-on-death of title or deed, or other arrangements.

(c) For the purpose of this section and recovery in a surviving spouse's estate for medical assistance paid for a predeceased spouse, the estate must consist of all of the legal title and interests the deceased individual's predeceased spouse had in jointly owned or marital property at the time of the spouse's death, as defined in subdivision 2b, and the proceeds of those interests, that passed to the deceased individual or another individual, a survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common, survivorship, life estate, living trust, or other

arrangement. A deceased recipient who, at death, owned the property jointly with the surviving spouse shall have an interest in the entire property.

(d) For the purpose of recovery in a single person's estate or the estate of a survivor of a married couple, "other arrangement" includes any other means by which title to all or any part of the jointly owned or marital property or interest passed from the predeceased spouse to another including, but not limited to, transfers between spouses which are permitted, prohibited, or penalized for purposes of medical assistance.

(e) A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(1) the person was over 55 years of age, and received services under this chapter prior to January 1, 2014;

(2) the person resided in a medical institution for six months or longer, received services under this chapter, and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital;

(3) the person received general assistance medical care services under the program formerly codified under chapter 256D; or

(4) the person was 55 years of age or older and received medical assistance services on or after January 1, 2014, that consisted of nursing facility services, home and community-based services, or related hospital and prescription drug benefits.

(f) The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or county agency with a claim under this section must be a creditor under section 524.6-307. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Notice of the claim shall be given to all heirs and devisees of the decedent, and to other persons with an ownership interest in the real property owned by the decedent at the time of the decedent's death, whose identity can be ascertained with reasonable diligence. The notice must include procedures and instructions for making an application for a hardship waiver under subdivision 5; time frames for submitting an application and determination; and information regarding appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort. Counties are entitled to ten percent of the collections for alternative care directly attributable to county effort.

Sec. 15. Minnesota Statutes 2016, section 297B.01, subdivision 16, is amended to read:

Subd. 16. **Sale, sells, selling, purchase, purchased, or acquired.** (a) "Sale," "sells," "selling," "purchase," "purchased," or "acquired" means any transfer of title of any motor vehicle, whether absolutely or conditionally, for a consideration in money or by exchange or barter for any purpose other than resale in the regular course of business.

(b) Any motor vehicle utilized by the owner only by leasing such vehicle to others or by holding it in an effort to so lease it, and which is put to no other use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale.

(c) The terms also shall include any transfer of title or ownership of a motor vehicle by other means, for or without consideration, except that these terms shall not include:

(1) the acquisition of a motor vehicle by inheritance from or by bequest of, or transfer-on-death of title by, a decedent who owned it;

(2) the transfer of a motor vehicle which was previously licensed in the names of two or more joint tenants and subsequently transferred without monetary consideration to one or more of the joint tenants;

(3) the transfer of a motor vehicle by way of gift from a limited used vehicle dealer licensed under section 168.27, subdivision 4a, to an individual, when the transfer is with no monetary or other consideration or expectation of consideration and the parties to the transfer submit an affidavit to that effect at the time the title transfer is recorded;

(4) the transfer of a motor vehicle by gift between:

(i) spouses;

(ii) parents and a child; or

(iii) grandparents and a grandchild;

(5) the voluntary or involuntary transfer of a motor vehicle between a husband and wife in a divorce proceeding; or

(6) the transfer of a motor vehicle by way of a gift to an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code when the motor vehicle will be used exclusively for religious, charitable, or educational purposes.

Sec. 16. **DRIVER'S LICENSE AGENT IN NEW BRIGHTON.**

(a) The commissioner of public safety must revise the appointment of the city of New Brighton as a driver's license agent to provide authority to operate as a full-service driver licensing office located in New Brighton city hall. This paragraph applies notwithstanding: (1) Minnesota Statutes, section 171.061, subdivision 2; (2) requirements under Minnesota Rules, part 7404.0300, subpart 3; and (3) procedures for county board appointment of a driver's license agent, including under Minnesota Rules, part 7404.0350. All other provisions regarding the appointment and operation of a driver's license agent under Minnesota Statutes, section 171.061, and Minnesota Rules, chapter 7404, apply.

(b) The commissioner must make the appointment under this section within two weeks of receipt of an appointment application pursuant to the commissioner's procedures under Minnesota Rules."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing sale and issuance of trunk highway bonds; redistributing five percent set-aside from highway user tax distribution fund; rededicating certain tax proceeds; amending various transportation and transit policies; amending policies relating to the Department of Public Safety; requiring reports; establishing a task force; appropriating money; amending Minnesota Statutes 2016, sections 85.016; 116.03, by adding a subdivision; 117.189; 160.02, subdivision 27, by adding subdivisions; 160.262, subdivisions 1, 3, 4; 160.266, subdivisions 3, 4, 5, by adding subdivisions; 161.081, subdivision 1; 161.088, subdivisions 4, 5, 7, by adding a subdivision; 161.115, subdivision 190; 161.21, subdivision 1; 161.321, subdivision 6; 161.44, subdivisions 5, 6a, by adding a subdivision; 168.021, subdivisions 1, 2, 2a; 168A.09, subdivision 1; 168A.141; 168A.142; 169.14, by adding subdivisions; 169.345, subdivisions 1, 3; 169.80, subdivision 1; 169.829, by adding a subdivision; 169.865, subdivision 3; 169.871, subdivision 1; 171.06, subdivision 2a; 171.12, subdivision 6; 174.03, subdivisions 1a, 1c; 221.031, by adding a subdivision; 256B.15, subdivision 1a; 297A.815, subdivision 3; 297A.94; 297B.01, subdivision 16; 473.388, subdivision 2; 473.4051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 168; 168A; 169; 174; repealing Minnesota Statutes 2016, sections 160.262, subdivision 2; 160.265; 160.266, subdivisions 1, 2; 161.115, subdivision 32; Minnesota Rules, parts 8810.6000; 8810.6100; 8810.6300; 8810.6400; 8810.6500; 8810.6600; 8810.6700; 8810.6800; 8810.6900; 8810.7000; 8810.9910; 8810.9911; 8810.9912; 8810.9913."

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Abeler from the Committee on Human Services Reform Finance and Policy, to which was referred

S.F. No. 1013: A bill for an act relating to local government; providing aid for out-of-home placement costs of children under the Indian Child Welfare Act; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Delete everything after the enacting clause and insert:

"Section 1. [477A.0126] REIMBURSEMENT TO COUNTIES AND TRIBES FOR CERTAIN OUT-OF-HOME PLACEMENTS.

Subdivision 1. Definition. For purposes of this section, "out-of-home placement" means 24-hour substitute care for an Indian child as defined by section 260C.007, subdivision 21, away from the child's parent or guardian and for whom the county or tribal social services agency has been assigned responsibility for the child's placement and care, which includes placement in foster care under section 260C.007, subdivision 18.

Subd. 2. Determination of nonfederal share of costs. (a) By July 1, 2017, each county shall report the following information to the commissioner of human services:

(1) the separate amounts paid out of the county's social service agency budget for out-of-home placement of Indian children in calendar year 2016; and

(2) the number of days foster care maintenance payments were made for each Indian child. The commissioner of human services shall prescribe the format of the report. By January 15, 2018, the commissioner of human services shall certify to the commissioner of revenue and to the legislative committees with jurisdiction over local government aids and out-of-home placement funding whether the data reported under this subdivision accurately reflect total expenditures by counties for out-of-home placement costs of Indian children.

(b) By April 1, 2018, and each April 1 thereafter, each county shall report to the commissioner of human services the separate amounts paid out of the county's social service agency budget for out-of-home placement of Indian children in the calendar year before the current calendar year along with the number of days foster care maintenance payments were made for each Indian child. The commissioner of human services shall prescribe the format of the report.

(c) Until the commissioner of human services develops another mechanism for collecting and verifying data on out-of-home placements of Indian children, the data collected under this subdivision must be used to calculate payments under subdivision 3. The commissioner of human services shall certify the nonfederal out-of-home placement costs for the calendar year two years prior for each county and the amount of any federal reimbursement received by a tribe for the calendar year two years prior to the commissioner of revenue by January 15 of the year of the aid payment.

Subd. 3. **Aid for counties.** (a) For aids payable in calendar year 2018 and thereafter, the amount of reimbursement to each county is a county's proportionate share of the appropriation in subdivision 7 that remains after the aid for tribes has been paid. Each county's proportionate share is based on the county's average nonfederal share of the cost for out-of-home placement of Indian children for the calendar year that was certified by the commissioner of human services by January 15 of the same year, provided that the commissioner of human services certifies to the commissioner of revenue that accurate data are available to make the aid determination under this section. For aids payable in calendar year 2018, each county's proportionate share is based on the county's nonfederal share of the cost for out-of-home placement of Indian children that was certified by the commissioner of human services by January 15, 2018.

(b) Aids under this subdivision shall only be paid to counties when the commissioner of human services certifies to the commissioner of revenue that the county substantially complied with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act when making out-of-home placements of Indian children for the previous calendar year.

Subd. 4. **Aid for tribes.** For aids payable in 2018 and thereafter, the amount of reimbursement to each tribe shall be the greater of:

(1) five percent of the average reimbursement amount received from the federal government for out-of-home placement costs for the three calendar years that were certified by June 1 of the prior year; or

(2) \$200,000.

Subd. 5. **Payments.** The commissioner of revenue must compute the amount of the reimbursement aid payable to each county and tribe under this section. On or before February 1 of each year, the commissioner shall certify the amount to be paid to each county and tribe in that year. The commissioner shall pay reimbursement aid annually at the times provided in section 477A.015. The

commissioner of revenue has the authority to withhold payment based upon the recommendation of the commissioner of human services.

Subd. 6. **Indian Child Welfare Act compliance system review.** (a) By January 1, 2018, the commissioner of human services, in consultation with counties and tribes, shall develop a system of review of compliance that includes but is not limited to the cases to be reviewed, the criteria to be reviewed to demonstrate compliance with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act, the rate of noncompliance and the coordinating penalty, the program improvement plan, and training.

(b) The commissioner of human services shall provide continuous review of cases reported by counties for aid payments under this section for compliance with the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

Subd. 7. **Appropriation.** An amount sufficient to pay aid under this section is annually appropriated to the commissioner of revenue from the general fund.

EFFECTIVE DATE. This section is effective beginning with aids payable in 2018."

And when so amended the bill do pass and be re-referred to the Committee on Taxes.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Anderson, B. from the Committee on Veterans and Military Affairs Finance and Policy, to which was referred

S.F. No. 1316: A bill for an act relating to the military; modifying uses of Support Our Troops account money; amending Minnesota Statutes 2016, section 190.19, subdivision 2.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

VETERANS AND MILITARY AFFAIRS APPROPRIATIONS

Section 1. APPROPRIATIONS.

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 general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

APPROPRIATIONS
Available for the Year

		<u>Ending June 30</u>	
		<u>2018</u>	<u>2019</u>
Sec. 2. <u>MILITARY AFFAIRS</u>			
Subdivision 1. <u>Total Appropriation</u>	\$	<u>19,616,000</u>	<u>19,616,000</u>

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

Subd. 2. <u>Maintenance of Training Facilities</u>		<u>6,661,000</u>	<u>6,661,000</u>
Subd. 3. <u>General Support</u>		<u>2,607,000</u>	<u>2,607,000</u>
Subd. 4. <u>Enlistment Incentives</u>		<u>10,348,000</u>	<u>10,348,000</u>

Appropriation Availability. If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. <u>Total Appropriation</u>	\$	<u>74,384,000</u>	<u>74,384,000</u>
--	-----------	--------------------------	--------------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	<u>74,179,000</u>	<u>74,179,000</u>
Special Revenue	<u>205,000</u>	<u>195,000</u>

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

Subd. 2. <u>Veterans Programs and Services</u>		<u>17,166,000</u>	<u>17,156,000</u>
---	--	-------------------	-------------------

Appropriations by Fund

	<u>2018</u>	<u>2019</u>
General	<u>16,961,000</u>	<u>16,961,000</u>
Special Revenue	<u>205,000</u>	<u>195,000</u>

Veterans Service Organizations. \$353,000 each year is for grants to the following congressionally chartered veterans service organizations, as designated by the commissioner: Disabled American Veterans,

Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

Minnesota Assistance Council for Veterans. \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

Honor Guards. \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

Minnesota GI Bill. \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791. Of this amount, \$100,000 is for transfer to the Office of Higher Education.

Gold Star Program. \$100,000 each year is for administering the Gold Star Program for

surviving family members of deceased veterans.

County Veterans Service Office. \$1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

Veterans' Voices. \$25,000 in fiscal year 2018 and \$25,000 in fiscal year 2019 are for a grant to the Association of Minnesota Public Educational Radio Stations for statewide programming to promote the Veterans' Voices program. The Veterans' Voices program shall educate and engage communities regarding veterans' contributions, knowledge, skills, and experiences with an emphasis on Korean War veterans and Operation Desert Storm veterans. These appropriations are from the Support Our Troops account in the special revenue fund. This is a onetime appropriation and is not added to the base.

Veterans Defense Project. \$90,000 in fiscal year 2018 and \$85,000 in fiscal year 2019 are for grants to the Veterans Defense Project. The Veterans Defense Project must use the grant money to support, through education, outreach, and legal assistance, military veterans who are involved with the criminal justice system. These appropriations are from the Support Our Troops account in the special revenue fund. This is a onetime appropriation and is not added to the base.

Veterans Journey Home; Appropriation. \$90,000 in fiscal year 2018 and \$85,000 in fiscal year 2019 are for a grant to the Veterans Journey Home. The Veterans Journey Home must use the grant money to support the development of new or rehabbed affordable housing dedicated for low-to-moderate income veterans and their families. These appropriations are from the Support Our Troops account in the special

revenue fund. This is a onetime appropriation and is not added to the base.

Subd. 3. Veterans Homes

57,218,000

57,218,000

Veterans Homes Special Revenue Account.

The general fund appropriations made to the department may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the department for the operation of veterans homes facilities and programs.

Maximize Federal Reimbursements. The department will seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and will provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements received. Contingent upon future federal Medicare receipts, reductions to the homes' general fund appropriation may be made.

Sec. 4. MILITARY AFFAIRS; TRANSFER AUTHORITY

Of the funds transferred to maintenance of training facilities in Laws 2015, chapter 77, article 1, section 36, subdivision 4, \$2,000,000 in fiscal year 2017 may be transferred to the enlistment incentives appropriation to address a projected fiscal year 2017 deficit in the enlistment incentives program.

ARTICLE 2

MILITARY AND VETERANS AFFAIRS POLICY

Section 1. Minnesota Statutes 2016, section 190.19, subdivision 2, is amended to read:

Subd. 2. **Uses.** (a) Money appropriated from the Minnesota "Support Our Troops" account to the Department of Military Affairs may be used for:

- (1) grants directly to eligible individuals;

(2) grants to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section;

(3) veterans' services; ~~or~~

(4) grants to family readiness groups chartered by the adjutant general; or

(5) up to \$500,000 per fiscal year for bonus programs as defined in section 192.501.

(b) As used in paragraph (a), the term "eligible individual" includes any person who is:

(1) a member in good standing of the Minnesota National Guard or a reserve unit based in Minnesota ~~who has been called to active service as defined in section 190.05, subdivision 5;~~

(2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;

(3) any other Minnesota resident performing active service for any branch of the military of the United States;

(4) a person who honorably served in one of the capacities listed in clause (1), (2), or (3) who has current financial needs ~~directly related to that service;~~ and

(5) a member of the immediate family of an individual identified in clause (1), (2), (3), or (4). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) As used in paragraph (a), the term "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual under paragraph (a) in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed ~~\$2,000~~ \$4,000.

Sec. 2. Minnesota Statutes 2016, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

(1) grants to veterans service organizations;

- (2) outreach to underserved veterans;
- (3) providing services and programs for veterans and their families;
- (4) transfers to the vehicle services account for Gold Star license plates under section 168.1253;
- (5) grants of up to \$100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families; ~~and~~
- (6) grants to an eligible foundation;
- (7) the agency's uncompensated burial costs for eligible dependents to whom the commissioner grants a no-fee or reduced-fee burial in the state's veteran cemeteries pursuant to section 197.236, subdivision 9, paragraph (b); and
- (8) grants of up to \$3,000 to a disabled veteran to construct disability access improvements in or around the disabled veteran's residence.

(b) For purposes of this subdivision, "eligible foundation" includes any organization that:

- (1) is a tax-exempt organization under section 501(c) of the Internal Revenue Code; and
- (2) is a nonprofit corporation under chapter 317A and the organization's articles of incorporation specify that a purpose of the organization includes: (i) providing assistance to veterans and their families; or (ii) enhancing the lives of veterans and their families.

Sec. 3. Minnesota Statutes 2016, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees.** (a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.

(b) Upon application, the commissioner may waive or reduce the burial fee in the case of for an indigent eligible person. The commissioner shall develop a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.

(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2)."

Delete the title and insert:

"A bill for an act relating to military and veterans affairs; appropriating funds to the Departments of Military and Veterans Affairs; modifying uses for Support Our Troops account; requiring the Department of Veterans Affairs to develop a policy to grant free or reduced-cost burials in state veterans cemeteries to eligible indigent dependents of veterans; amending Minnesota Statutes 2016, sections 190.19, subdivisions 2, 2a; 197.236, subdivision 9."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1456, 565, 78, 1709, 1568, and 1251 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 778 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Jensen, Newman, and Frenz introduced--

S.F. No. 2215: A bill for an act relating to motor vehicles; increasing registration tax by \$125 on electric vehicles; amending Minnesota Statutes 2016, section 168.013, subdivision 1a.

Referred to the Committee on Transportation Finance and Policy.

Senator Dibble introduced--

S.F. No. 2216: A bill for an act relating to transportation; modifying commercial vehicle weighing and inspection provision; requiring yield signs at specific railroad crossings; amending Minnesota Statutes 2016, sections 169.85, subdivision 1; 219.20, subdivision 1.

Referred to the Committee on Transportation Finance and Policy.

Senator Dibble introduced--

S.F. No. 2217: A bill for an act relating to pipelines; requiring notice of a pipeline integrity dig; allowing for state inspectors at an integrity dig; requiring notice of contamination; providing for assessing the cost of inspections to a pipeline; proposing coding for new law in Minnesota Statutes, chapter 216G.

Referred to the Committee on Transportation Finance and Policy.

Senators Ingebrigtsen, Eken, Dahms, Pappas, and Relph introduced--

S.F. No. 2218: A bill for an act relating to capital investment; appropriating money for the library construction grant program; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Osmek introduced--

S.F. No. 2219: A bill for an act relating to clean water; appropriating money for Minnesota clean marina program.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Torres Ray introduced--

S.F. No. 2220: A bill for an act relating to taxation; property; modifying additional property tax refund; amending Minnesota Statutes 2016, section 290A.04, subdivision 2h.

Referred to the Committee on Taxes.

Senators Torres Ray, Pappas, and Franzen introduced--

S.F. No. 2221: A bill for an act relating to taxation; imposing a temporary Super Bowl surtax; providing funding to address human trafficking; appropriating money.

Referred to the Committee on Taxes.

Senator Eaton introduced--

S.F. No. 2222: A bill for an act relating to education; modifying gifted and talented programs; amending Minnesota Statutes 2016, sections 120B.11, subdivision 2; 120B.15; 120B.20; 126C.10, subdivision 2b.

Referred to the Committee on E-12 Policy.

Senators Hawj, Frentz, Laine, and Torres Ray introduced--

S.F. No. 2223: A bill for an act relating to arts and cultural heritage; appropriating money for Somali Museum of Minnesota.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Hawj, Eichorn, and Pappas introduced--

S.F. No. 2224: A bill for an act relating to arts and cultural heritage; appropriating money to African American Registry.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Ingebrigtsen; Anderson, B.; and Relph introduced--

S.F. No. 2225: A bill for an act relating to public safety; creating a new crime of soliciting or providing support for an act of terrorism; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Osmek introduced--

S.F. No. 2226: A bill for an act relating to the Public Utilities Commission; providing for legislative appointments to the Public Utilities Commission; amending Minnesota Statutes 2016, section 216A.03, subdivision 1, by adding a subdivision.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senators Hayden and Dzedzic introduced--

S.F. No. 2227: A bill for an act relating to agriculture; appropriating money to the Agricultural Utilization Research Institute for identifying roads, streets, parking areas, and trails to seal with soy-based sealant.

Referred to the Committee on Agriculture, Rural Development, and Housing Finance.

Senators Isaacson and Schoen introduced--

S.F. No. 2228: A bill for an act relating to elections; amending requirements for participating in a program that crosschecks voter registration data with data from other states; amending Minnesota Statutes 2016, section 201.13, subdivision 3, by adding a subdivision.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Dzedzic introduced--

S.F. No. 2229: A bill for an act relating to taxation; authorizing county to sell land adjacent to public waters upon written authorization; amending Minnesota Statutes 2016, section 282.018, subdivision 1.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Nelson introduced--

S.F. No. 2230: A bill for an act relating to education finance; clarifying the career and technical revenue program; amending Minnesota Statutes 2016, section 124D.4531, subdivisions 1, 1a, 1b; repealing Minnesota Statutes 2016, section 124D.4531, subdivision 3a.

Referred to the Committee on E-12 Finance.

Senator Nelson introduced--

S.F. No. 2231: A bill for an act relating to education finance; clarifying transition revenue; amending Minnesota Statutes 2016, section 126C.10, subdivisions 31, 32, 33.

Referred to the Committee on E-12 Finance.

Senator Eken introduced--

S.F. No. 2232: A bill for an act relating to education; modifying voluntary prekindergarten eligibility requirements; amending Minnesota Statutes 2016, section 124D.151, subdivision 4.

Referred to the Committee on E-12 Policy.

Senator Rosen introduced--

S.F. No. 2233: A bill for an act relating to retirement; providing financial solvency measures for Minnesota State Retirement System, Teachers Retirement Association, St. Paul Teachers Retirement Fund Association; increasing contribution rates; reducing certain postretirement adjustment increase rates; modifying investment return assumptions; extending amortization target dates; amending Minnesota Statutes 2016, sections 3A.03, subdivision 2; 352.01, subdivision 13a; 352.017, subdivision 2; 352.04, subdivisions 2, 3, 8, 9; 352.23; 352.27; 352.92, subdivisions 1, 2, by adding a subdivision; 352.955, subdivision 3; 352B.013, subdivision 2; 352B.02, subdivisions 1a, 1c; 352B.085; 352B.086; 352B.11, subdivision 4; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 354.42, subdivision 3; 354.50, subdivision 2; 354.51, subdivision 5; 354.52, subdivision 4; 354.53, subdivision 5; 354A.011, subdivision 3a; 354A.093, subdivision 6; 354A.096; 354A.12, subdivisions 1a, 2a, 7; 354A.29, subdivision 7; 354A.34; 354A.38, subdivision 3; 356.215, subdivisions 8, 11; 356.415, subdivisions 1a, 1d, 1e, 1f; 490.121, subdivisions 4, 25, 26; 490.1211; 490.124, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 2016, sections 354A.29, subdivisions 8, 9; 356.415, subdivision 1.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Utke and Eken introduced--

S.F. No. 2234: A bill for an act relating to capital investment; appropriating money for clean water and drinking water infrastructure in the city of Mahanomen.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Jensen introduced--

S.F. No. 2235: A bill for an act relating to capital investment; appropriating money for Lake Waconia Regional Park; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Senjem, Eaton, and Ruud introduced--

S.F. No. 2236: A bill for an act relating to arts and cultural heritage; appropriating money for Minnesota Historical Society.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Weber introduced--

S.F. No. 2237: A bill for an act relating to telecommunications; appropriating money to pay the state-level funding match for the federal E-rate program for broadband in schools.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Dzedzic introduced--

S.F. No. 2238: A bill for an act relating to taxation; giving county auditors additional authority; allowing counties to sell tax-forfeited lands online; making technical and conforming changes; amending Minnesota Statutes 2016, sections 276.017, subdivision 3; 281.173, subdivision 2; 281.174, subdivision 3; 282.01, subdivision 4, by adding subdivisions; 282.016; 282.018, subdivision 1; 282.02; 282.241, subdivision 1; 282.322; proposing coding for new law in Minnesota Statutes, chapter 281; repealing Minnesota Statutes 2016, section 281.22.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Mathews introduced--

S.F. No. 2239: A bill for an act relating to natural resources; appropriating money for Little Rock Lake-Sartell Pool drawdown project.

Referred to the Committee on Environment and Natural Resources Finance.

Senators Dahms and Anderson, P. introduced--

S.F. No. 2240: A bill for an act relating to taxation; sales and use; modifying exemption provisions for construction materials by certain contractors; adding a refund provision; amending Minnesota Statutes 2016, sections 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2, 3.

Referred to the Committee on Taxes.

Senators Goggin, Mathews, and Osmek introduced--

S.F. No. 2241: A resolution memorializing Congress to revive the Yucca Mountain nuclear waste repository licensing review process.

Referred to the Committee on Energy and Utilities Finance and Policy.

Senators Wiklund and Franzen introduced--

S.F. No. 2242: A bill for an act relating to parks and trails; extending the availability of appropriation to reconstruct parking lots at Hyland-Bush-Anderson Lakes Park Reserve.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Nelson introduced--

S.F. No. 2243: A bill for an act relating to autism services; appropriating money for grants to Minnesota Life College.

Referred to the Committee on Higher Education Finance and Policy.

Senators Jensen and Anderson, P. introduced--

S.F. No. 2244: A bill for an act relating to taxation; income; establishing a temporary refundable high school youth skills training tax credit for employers.

Referred to the Committee on Taxes.

Senator Eken introduced--

S.F. No. 2245: A bill for an act relating to taxation; property; modifying the exemption for agricultural containment facilities; amending Minnesota Statutes 2016, section 272.02, subdivision 23.

Referred to the Committee on Taxes.

Senator Klein introduced--

S.F. No. 2246: A bill for an act relating to local government; providing a onetime grant to the city of Lilydale.

Referred to the Committee on Taxes.

Senator Tomassoni introduced--

S.F. No. 2247: A bill for an act relating to economic development; appropriating money for a grant to the city of Virginia.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Rest, Dibble, Dziejic, and Carlson introduced--

S.F. No. 2248: A bill for an act relating to transportation; authorizing and governing implementation of requirements of the federal REAL ID Act; amending certain requirements governing drivers' licenses and Minnesota identification cards; amending imposition of certain fees; requiring legislative reporting; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2016, sections 171.01, by adding subdivisions; 171.017; 171.04, by adding a subdivision; 171.06, subdivisions 1, 3, by adding a subdivision; 171.07, subdivisions 1, 3, 4, 9a; 171.072; 171.12, by adding subdivisions; 171.27; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2016, section 171.071; Laws 2009, chapter 92, section 1, as amended; Minnesota Rules, part 7410.1810.

Referred to the Committee on Transportation Finance and Policy.

Senators Abeler and Marty introduced--

S.F. No. 2249: A bill for an act relating to human services; authorizing a program to provide community violence prevention programs for African-American children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on State Government Finance and Policy and Elections.

Senators Marty, Clausen, and Dziejczak introduced--

S.F. No. 2250: A bill for an act relating to agriculture; appropriating money for the Forever Green Agriculture Initiative at the University of Minnesota.

Referred to the Committee on Agriculture, Rural Development, and Housing Finance.

Senators Marty, Clausen, and Cwodzinski introduced--

S.F. No. 2251: A bill for an act relating to environment; encouraging low-emission and zero-emission school buses; providing grants for emission reduction activities; providing for disposition of certain settlement revenue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

MOTIONS AND RESOLUTIONS

Senator Nelson moved that her name be stricken as a co-author to S.F. No. 256. The motion prevailed.

Senator Kent moved that the name of Senator Marty be added as a co-author to S.F. No. 673. The motion prevailed.

Senator Frenz moved that the name of Senator Eaton be added as a co-author to S.F. No. 747. The motion prevailed.

Senator Frenz moved that the name of Senator Eaton be added as a co-author to S.F. No. 748. The motion prevailed.

Senator Limmer moved that the name of Senator Latz be added as a co-author to S.F. No. 817. The motion prevailed.

Senator Johnson moved that the name of Senator Abeler be added as a co-author to S.F. No. 845. The motion prevailed.

Senator Abeler moved that the name of Senator Hawj be added as a co-author to S.F. No. 946. The motion prevailed.

Senator Isaacson moved that the name of Senator Schoen be added as a co-author to S.F. No. 1100. The motion prevailed.

Senator Sparks moved that his name be stricken as a co-author to S.F. No. 1197. The motion prevailed.

Senator Mathews moved that the name of Senator Utke be added as a co-author to S.F. No. 1290. The motion prevailed.

Senator Wiklund moved that her name be stricken as a co-author to S.F. No. 1302. The motion prevailed.

Senator Schoen moved that the name of Senator Isaacson be added as a co-author to S.F. No. 1541. The motion prevailed.

Senator Pappas moved that the name of Senator Koran be added as a co-author to S.F. No. 1797. The motion prevailed.

Senator Franzen moved that her name be stricken as a co-author to S.F. No. 1845. The motion prevailed.

Senator Johnson moved that the names of Senators Chamberlain and Tomassoni be added as co-authors to S.F. No. 1884. The motion prevailed.

Senator Koran moved that the name of Senator Hayden be added as a co-author to S.F. No. 2137. The motion prevailed.

Senator Relph moved that the name of Senator Hoffman be added as a co-author to S.F. No. 2138. The motion prevailed.

Senator Anderson, B. moved that the name of Senator Torres Ray be added as a co-author to S.F. No. 2139. The motion prevailed.

Senator Hawj moved that the name of Senator Wiger be added as a co-author to S.F. No. 2182. The motion prevailed.

Senator Ingebrigtsen moved that S.F. No. 1696 be withdrawn from the Committee on Transportation Finance and Policy and re-referred to the Committee on Judiciary and Public Safety Finance and Policy. The motion prevailed.

Senator Carlson moved that S.F. No. 837 be withdrawn from the Committee on Transportation Finance and Policy and re-referred to the Committee on Judiciary and Public Safety Finance and Policy. The motion prevailed.

Senator Gazelka introduced --

Senate Resolution No. 63: A Senate resolution congratulating Alex Erpelding on winning the 2017 State High School Class A individual boys wrestling championship.

Referred to the Committee on Rules and Administration.

Senators Goggin and Miller introduced --

Senate Resolution No. 64: A Senate resolution recognizing Minnesota City on its 165th anniversary.

Referred to the Committee on Rules and Administration.

Senators Gazelka introduced --

Senate Resolution No. 65: A Senate resolution relating to the joint meeting of the Health and Human Services Finance and Policy Committee and the Human Services Reform Finance and Policy Committee.

BE IT RESOLVED, by the Senate of the State of Minnesota:

Pursuant to Mason's Manual of Legislative Procedure, Section 659, the Health and Human Services Finance and Policy Committee and the Human Services Reform Finance and Policy Committee are authorized to sit as one committee of the Senate for the duration of the committee's consideration and action on the 2017 Omnibus Health and Human Services appropriations bill designated under Temporary Senate Rule 7.3, clause (7). The report of the committee authorized by this resolution shall have the effect of a report from the Health and Human Services Finance and Policy Committee and a report from the Human Services Reform Finance and Policy Committee. For the purposes of the omnibus appropriations bill authorized by this resolution, the committee shall have the jurisdiction of both the Health and Human Services Finance and Policy Committee and the Human Services Reform Finance and Policy Committee.

The committee authorized under this resolution has the following membership:

COMMITTEE ON HEALTH AND HUMAN SERVICES (18)

Abeler, Co-Chair	Hoffman	Marty
Benson, Co-Chair	Isaacson	Nelson
Hayden, Co-Lead	Jensen	Relph
Lourey, Co-Lead	Kiffmeyer	Rosen
Eaton	Klein	Utke
Fischbach	Mathews	Wiklund

The committee shall terminate upon the Senate's adoption of the committee's report on the omnibus appropriations bill.

Senator Gazelka moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

MEMBERS EXCUSED

Senator Latz was excused from the Session of today.

ADJOURNMENT

Senator Gazelka moved that the Senate do now adjourn until 11:00 a.m., Monday, March 27, 2017. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

