

NINETY-SECOND DAY

St. Paul, Minnesota, Tuesday, April 19, 2022

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastor Mike Smith.

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 were present:

Abeler	Draheim	Ingebrigtsen	Marty	Rest
Anderson	Duckworth	Isaacson	Mathews	Rosen
Bakk	Dziedzic	Jasinski	McEwen	Ruud
Benson	Eaton	Johnson	Miller	Senjem
Bigham	Eichorn	Johnson Stewart	Murphy	Tomassoni
Carlson	Eken	Kent	Nelson	Torres Ray
Chamberlain	Fateh	Kiffmeyer	Newman	Utke
Champion	Frentz	Klein	Newton	Weber
Clausen	Gazelka	Koran	Osmek	Westrom
Coleman	Goggin	Kunesh	Pappas	Wiger
Cwodzinski	Hawj	Lang	Port	Wiklund
Dahms	Hoffman	Latz	Pratt	
Dibble	Housley	Limmer	Putnam	
Dornink	Howe	López Franzen	Rarick	

Pursuant to Rule 14.1, the President announced the following members intend to vote under Rule 40.7: Abeler, Anderson, Benson, Eaton, Eken, Fateh, Gazelka, Goggin, Isaacson, Latz, McEwen, Newman, Newton, Pappas, Putnam, Tomassoni, and Torres Ray.

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.

April 8, 2022

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2022 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2022	Date Filed 2022
	3217	47	12:57 p.m. April 8	April 8

Sincerely,
Steve Simon
Secretary of State

April 13, 2022

The Honorable David J. Osmek
President of the Senate

Dear President Osmek:

I have received, approved, signed, and deposited in the Office of the Secretary of State, Chapter 45, S.F. No. 2736.

Sincerely,
Tim Walz, Governor

April 13, 2022

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable David J. Osmek
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2022 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2022	Date Filed 2022
2736		45	1:30 p.m. April 13	April 13
	2819	46	1:30 p.m. April 13	April 13
	3620	48	1:30 p.m. April 13	April 13

Sincerely,
Steve Simon
Secretary of State

REPORTS OF COMMITTEES

Senator Miller moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 4025: A bill for an act relating to opioids; providing for the deposit and allocation of opioid settlement proceeds; establishing two accounts in the opiate epidemic response fund; eliminating a separate opioid account in the state treasury; modifying the time frame for eliminating the opioid manufacturer registration fee and reducing license fees; barring municipal claims against litigants in certain settled opioid cases; amending Minnesota Statutes 2020, section 256.043, subdivision 1, by adding a subdivision; Minnesota Statutes 2021 Supplement, sections 16A.151, subdivision 2; 151.066, subdivision 3; 256.042, subdivision 4; 256.043, subdivisions 3, 4; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, First Special Session chapter 7, article 16, section 12; proposing coding for new law in Minnesota Statutes, chapter 3.

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

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

H.F. No. 2746: A bill for an act relating to public safety; clarifying eligibility for participation in the Hometown Heroes Act; transferring money; amending Laws 2021, First Special Session chapter 11, article 2, section 12.

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

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

S.F. No. 4091: A bill for an act relating to economic development; making policy and technical changes; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 116J.035, by adding a subdivision; 116J.55, subdivision 6; 116J.552, subdivision 6; 116J.8747, subdivisions 2, 3, 4; 116J.993, subdivision 3; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.98, subdivisions 2, 3; 181.032; 181.101; 268.18, by adding a subdivision; Laws 2021, First Special Session chapter 10, article 1, section 5; proposing coding for new law in Minnesota Statutes, chapter 116L.

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

Page 1, before line 10 insert:

"ARTICLE 1**HIGHER EDUCATION APPROPRIATIONS**Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are in addition to the appropriations in Laws 2021, First Special Session chapter 2, article 1, as amended in this act, unless otherwise specified, and are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

APPROPRIATIONS
Available for the Year
Ending June 30
2022 2023

Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>5,261,000</u>
--	------------------	-------------------	------------------	-------------------------

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

<u>Subd. 2. Grants to Students Pursuing Law Enforcement</u>		<u>-0-</u>		<u>3,761,000</u>
--	--	-------------------	--	-------------------------

For grants to eligible students under Minnesota Statutes, section 136A.1213. Of this amount, \$170,000 the first year is for administration costs. The base for this appropriation is \$3,666,000 for fiscal year 2024 and later. Beginning in fiscal year 2024, the commissioner may use \$75,000 for administration costs.

<u>Subd. 3. Skills Path Grant Program</u>		<u>-0-</u>		<u>500,000</u>
--	--	-------------------	--	-----------------------

For grants to eligible institutions under Minnesota Statutes, section 136A.247. Of this amount, the commissioner may use no more than \$15,000 of the appropriation for administration of the grant program. The base

for this appropriation is \$500,000 for fiscal year 2024 and later.

Subd. 4. Owatonna Learn to Earn Coalition; Office of Higher Education

-0-

980,000

This appropriation is for a grant to the Owatonna Learn to Earn Coalition to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2024. Of this amount:

(1) \$900,000 is to develop educational learning spaces with state-of-the-art equipment and student support services in high-demand career pathway programs. Of this amount, \$306,000 is to equip the new Owatonna High School's Industrial Technology classrooms with state-of-the-art equipment to introduce students to high-skill, high-wage, technical careers, and \$594,000 is to equip the Owatonna Riverland Community College Campus with state-of-the-art instructional equipment to offer credit and noncredit technical programs in automation robotics engineering technology and information technology; and

(2) \$80,000 is to create learn to earn opportunities for students and employers by engaging employers in the Owatonna community to offer tuition reimbursement or scholarships and part-time work and school schedules to employees who agree to continue their education while working for them.

Subd. 5. Owatonna Learn to Earn Coalition; Department of Employment and Economic Development

-0-

20,000

For transfer to the commissioner of employment and economic development for a grant to the Owatonna Learn to Earn Coalition to conduct a comprehensive local needs assessment to examine current and future workforce needs in the region. The coalition shall retain a consultant and utilize

state demographer resources to involve education, business, and community stakeholders to guide the high school's career pathways, the college's programs of study, and the business's support of work-based learning programs that help them recruit, develop, and retain a vibrant workforce to keep the regional economy strong. This is a onetime appropriation and is available until June 30, 2024.

Sec. 3. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>454,000</u>
--	------------------	-------------------	------------------	-----------------------

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

<u>Subd. 2. Operations and Maintenance</u>		<u>-0-</u>		<u>454,000</u>
---	--	-------------------	--	-----------------------

\$454,000 in fiscal year 2023 is to improve campus safety, bolstering the technology infrastructure with cameras and strategic information accessibility, and provide a safe campus by increasing security and full-time law enforcement presence. The base for this appropriation is \$2,390,000 for fiscal year 2024 and later.

Sec. 4. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 1, is amended to read:

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>271,702,000</u>	<u>\$</u>	<u>274,269,000</u>	<u>275,019,000</u>
--	------------------	---------------------------	------------------	---------------------------	---------------------------

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

Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 9, is amended to read:

<u>Subd. 9. Intervention for College Attendance Program Grants</u>		<u>1,143,000</u>		<u>1,142,000</u>
---	--	-------------------------	--	-------------------------

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

The commissioner may use no more than ~~three percent~~ \$34,000 each year of this appropriation to administer the intervention for college attendance program grants.

Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 19, is amended to read:

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program	3,000,000	3,000,000
---	-----------	-----------

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than ~~three percent~~ \$90,000 each year of the amount transferred under this subdivision to administer the grant program.

Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. Summer Academic Enrichment Program	250,000	250,000
---	---------	---------

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than ~~three percent~~ \$8,000 each year of this appropriation to administer the grant program under this subdivision.

Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. Grants to Student Teachers in Shortage Areas	500,000	500,000
---	---------	---------

For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than ~~three percent~~ \$15,000 each year of the appropriation for administration of the program.

Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26, is amended to read:

Subd. 26. Grants to Underrepresented Student Teachers	1,000,000	1,000,000 <u>1,250,000</u>
--	-----------	--

For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than ~~three percent~~ \$30,000 the first year and \$38,000 the second year of the appropriation for administration of the program.

The base for this appropriation is ~~\$1,125,000~~ \$1,250,000 in fiscal year 2024 and later.

Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27, is amended to read:

Subd. 27. Teacher Shortage Loan Repayment	200,000	200,000
--	---------	---------

For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than ~~three percent~~ \$6,000 each year of the amount transferred under this subdivision to administer the program.

Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 33, is amended to read:

Subd. 33. Minnesota Independence College and Community	1,250,000	1,250,000 <u>1,750,000</u>
---	-----------	--

For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8.

The base for this appropriation is ~~\$1,000,000~~ \$1,207,000 in fiscal year 2024 and later.

Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 34, is amended to read:

Subd. 34. **Student Loan Debt Counseling** 200,000 200,000

For student loan debt counseling under Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no more than ~~three percent~~ \$6,000 each year of the appropriation to administer the student loan debt counseling program.

Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 38, is amended to read:

Subd. 38. **Aspiring Teachers of Color Scholarship Pilot Program** 1,500,000 1,500,000

(a) This appropriation is for the aspiring teachers of color scholarship pilot program under article 2, section 45.

(b) The commissioner of the Office of Higher Education may use no more than ~~three percent~~ \$45,000 each year of the appropriation to administer the aspiring teachers of color scholarship program.

(c) This is a onetime appropriation. The base for this appropriation is \$0 in fiscal year 2024 and later. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this subdivision do not cancel until July 1, 2025.

Sec. 14. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 1, is amended to read:

		<u>789,491,000</u>
Subdivision 1. Total Appropriation	\$ 791,992,000	\$ <u>800,140,000</u>

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

Sec. 15. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 3, is amended to read:

		<u>751,295,000</u>
Subd. 3. Operations and Maintenance	753,795,000	<u>761,944,000</u>

(a) The Board of Trustees must establish tuition rates as follows:

(1) for the 2021-2022 and 2022-2023 academic years, tuition rates for undergraduate students at colleges and universities must not be increased by more than 3.5 percent as compared to the previous academic year, except that a university may change base tuition to adjust for the reduction of online differential charges provided the change is revenue-neutral; and

(2) the student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years 2022 and 2023 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) The Board of Trustees must request guidance from the United States Department of Education regarding whether it is permissible to allocate federal funds received under section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to provide a tuition credit for enrolled students or refund for students who are no longer enrolled in an amount equal to the amount of the online differential tuition rate charged to students for courses moved online due to the coronavirus pandemic during the 2020-2021 academic year that were not offered as online courses during the previous academic year. If the department advises that this is a permissible use of the federal funds, institutions must issue such tuition credits to enrolled students and must inform students who are no longer enrolled in the institution of their eligibility

for a refund. In order to receive a refund, the student must apply for the refund.

(c) \$5,700,000 in fiscal year 2022 and \$5,700,000 in fiscal year 2023 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least \$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

(d) The Board of Trustees is requested to help Minnesota close the attainment gap by funding activities which improve retention and completion for students of color.

(e) \$4,500,000 in fiscal year 2022 and ~~\$4,500,000~~ \$14,500,000 in fiscal year 2023 are for workforce development scholarships under Minnesota Statutes, section 136F.38. Of this appropriation, up to \$200,000 is available in each year to administer the program. Of this amount, \$7,500,000 in the second year and later must be used for scholarships to students enrolled in a law enforcement program of study. If there is a balance of unobligated funds to law enforcement students by February 15 of each year, the board may reallocate the balance to other purposes under this paragraph. The base for this appropriation is \$9,500,000 for fiscal year 2024 and later.

(f) \$300,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students

served, credit hours delivered, and services provided to students.

(g) This appropriation includes \$40,000 in fiscal year 2022 and \$40,000 in fiscal year 2023 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) This appropriation includes \$8,000,000 in fiscal year 2022 and \$8,000,000 in fiscal year 2023 for upgrading the Integrated Statewide Record System.

(i) This appropriation includes \$250,000 in fiscal year 2022 and \$250,000 in fiscal year 2023 to implement the Z-Degree program under Minnesota Statutes, section 136F.305. The base for this appropriation is \$50,000 in fiscal year 2024 and later.

(j) \$1,500,000 in fiscal year 2022 is for the mental health awareness program for students required under Minnesota Statutes, section 136F.20, subdivision 4. Of this amount: \$500,000 must be used for training opportunities under Minnesota Statutes, section 136F.20, subdivision 4, paragraph (a), clause (2); and \$200,000 must be used for grants to colleges and universities to establish peer support pilot programs in Minnesota Statutes, section 136F.20, subdivision 4, paragraph (c). The Board of Trustees shall convene a committee that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(k) \$1,000,000 in fiscal year 2022 is for colleges and universities to comply with the student basic needs requirements under Minnesota Statutes, section 136F.202. The Board of Trustees must use at least 25 percent of this appropriation for grants to colleges and universities to comply with Minnesota Statutes, section 136F.202,

subdivision 1, paragraph (a). The board must use a consultation and committee process that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(l) The total operations and maintenance base for fiscal year 2024 and later is ~~\$751,095,000~~ \$756,095,000.

Sec. 16. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 1, is amended to read:

	\$	692,813,000	\$	<u>694,813,000</u>
Subdivision 1. Total Appropriation				
Appropriations by Fund				
	2022		2023	
				690,656,000
General	690,656,000			<u>692,656,000</u>
Health Care Access	2,157,000			<u>2,157,000</u>

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

Sec. 17. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Special Appropriations

(a) **Agriculture and Extension Service** 42,922,000 42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass

resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers, renewable energy, and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural, and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock, and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2023, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities,

provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering	1,140,000	1,140,000
---	-----------	-----------

For the geological survey and the talented youth mathematics program.

(d) System Special	7,431,000	7,431,000 <u>9,431,000</u>
---------------------------	-----------	--

For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

\$2,250,000 in fiscal year 2022 and ~~\$2,250,000~~ \$4,250,000 in fiscal year 2023 are for the Natural Resources Research Institute to invest in applied research for economic development.

The base for this appropriation is \$7,181,000 in fiscal year 2024 and later and, of this amount, \$2,000,000 per fiscal year is for the Natural Resources Research Institute to invest in applied research for economic development.

(e) University of Minnesota and Mayo Foundation Partnership	7,991,000	7,991,000
--	-----------	-----------

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2022 and \$7,491,000 in fiscal year 2023 are for the direct and indirect expenses of the collaborative research partnership between

the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Sec. 18. EDUCATION APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sum indicated in this section is appropriated from the general fund to the Department of Education for the fiscal year designated. This sum is in addition to appropriations made for the same purpose in any other law.

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>24,000</u>	<u>2023</u>
----	---------------	-------	-------------

The 2023 appropriation includes \$0 for 2022 and \$24,000 for 2023.

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

ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. [124D.351] SKILLS PATH PROGRAM.

Subdivision 1. **Purpose.** The purpose of the skills path program is to provide students with clear pathways from high school to careers in skilled work and the trades and create opportunities for students to enter postsecondary programs and employment-based training in high school.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Career and technical education dual credit program" means a postsecondary career or technical education course under section 124D.09, subdivision 5a; a secondary course that has a current articulation agreement for postsecondary credit hours with a participating institution; or a youth skills training program that awards postsecondary credit to students.

(c) "Employment-based training" means a registered apprenticeship or apprenticeship readiness program, a dual-training program, a workforce training program at an opportunities industrialization center, or other work-based learning programs in which the student has paid employment.

Subd. 3. **Eligible institutions.** (a) A secondary public school, an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, a vocational center school, a nonpublic school, or any combination of schools is eligible to apply for a skills path program designation.

(b) A Minnesota state college or university, an institution licensed or registered as a postsecondary institution by the Office of Higher Education, or an institution exempt from the provisions of sections 136A.61 to 136A.71 or 136A.822 to 136A.834, as approved by the Office of Higher Education, may partner with an institution in paragraph (a) to provide a postsecondary options enrollment career and technical education course for eligible students in a skills path program.

(c) An eligible institution may work in partnership with one or more postsecondary programs designated in paragraph (b) to create a two-year program that incorporates secondary and postsecondary credit along with employment-based training to award an associate degree in skilled occupations.

Subd. 4. **Skills path programs.** The commissioner of higher education must develop an application consistent with section 136A.247, and may consult with the commissioners of education and labor and industry, for programs that provide students with clear pathways from high school to careers in skilled work and the trades to be designated as skills path programs. Skills path programs must include career-connected learning options, career and technical education dual credit program options, and employment-based training opportunities to be eligible for this designation. Applicants must demonstrate how skills path programs will be marketed to students and what other local partners and employers are involved in developing career pathway opportunities. Skills path programs may be identified in skilled occupations and the trades, including manufacturing, construction, health care services, information technology, agriculture, transportation, child care, law enforcement, energy, and other related industries.

Subd. 5. **Interaction with education finance.** For the purpose of computing state aids for the school district, students participating in the skills path programs under this section shall be counted in the average daily membership of the school district.

Subd. 6. **Academic credit.** A school district may grant academic credit for skills path programs under this section in accordance with local requirements.

Sec. 2. Minnesota Statutes 2020, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(a) A postsecondary institution is eligible for state student aid under chapter 136A and sections 197.791 and 299A.45, if the institution ~~is located in this state and:~~

(1) is operated by this state or the Board of Regents of the University of Minnesota; ~~or~~

(2) is operated privately, is located in the state, and, as determined by the office, meets the requirements of paragraph (b); or

(3) is a university that:

(i) is a nonprofit entity as defined by Internal Revenue Code, section 501(c)(3);

(ii) is accredited by the institutional accreditor, Northwest Commission on Colleges and Universities;

(iii) provides online education;

(iv) offers exclusively competency-based education; and

(v) as determined by the office, meets the requirements of paragraph (b).

For purposes of this clause, competency-based education means an educational delivery model which organizes academic content by competency rather than more traditional methods, such as by course, and measures a student's academic progress by assessing learning outcomes, typically on the basis of mastery of a defined set of competency standards.

(b) A private institution must:

(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;

(2) be licensed or registered as a postsecondary institution by the office; and

(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.

(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.

(g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. [136A.1213] GRANTS FOR STUDENTS PURSUING LAW ENFORCEMENT.

Subdivision 1. **Grant amount; eligibility.** (a) A student is eligible for a \$3,000 annual grant, awarded at the beginning of the academic term and distributed evenly between two terms, if the student:

- (1) meets the eligibility requirements in section 136A.121, subdivision 2;
- (2) is enrolled for at least nine credits in a law enforcement degree program or a nondegree program under section 626.84, subdivision 1, paragraph (g);
- (3) attends an eligible institution as defined in section 136A.103; and
- (4) is making satisfactory academic progress as defined under section 136A.101, subdivision 10.

(b) The lifetime limit for:

- (1) nondegree students is \$3,000;
- (2) associate degree students is \$6,000; and
- (3) baccalaureate degree students is \$12,000.

Subd. 2. **Application.** To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

Sec. 4. [136A.247] SKILLS PATH GRANT PROGRAM.

Subdivision 1. **Grant amount.** The commissioner of higher education shall award grants up to \$50,000 per grant to up to ten secondary schools annually for skills path programs under section 124D.351 that align career and technical education dual credit program options with employment-based training opportunities. Applications must demonstrate how grant funding will provide students with clear pathways from high school to postsecondary training that lead to careers in skilled work and the trades. The commissioner of higher education may work with the commissioner of education and the commissioner of labor and industry to develop the grant application and administer the grants.

Subd. 2. **Grant uses.** (a) A secondary school awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

- (1) marketing efforts to students about skills path program opportunities;

(2) coordinating academic, vocational, and occupational learning; school-based and work-based learning; and secondary and postsecondary education for participants in the program;

(3) reimbursement of tuition, books, required tools, and other expenses necessary for participation in the program; and

(4) any other implementation or coordination activity that the commissioner may direct or permit the eligible institution to perform.

(b) Grant awards may not be used to pay the wages of a student directly or indirectly.

Subd. 3. **Grant application.** The following information must be included in the grant application:

(1) the identity of each secondary school that is a participant in the skills path program;

(2) the identity of each registered apprenticeship program or apprenticeship readiness program, dual-training program, workforce training program at an opportunities industrialization center, or other work-based learning program in which the student has the opportunity for paid employment that is a participant in the skills path program;

(3) the identity of each postsecondary institution, intermediate school district, public agency, nonprofit organization, union, career and technical education consortium, or workforce development authority that is a participant in the skills path program;

(4) the identity of any employers participating in the skills path program;

(5) a description of any career-connected learning components;

(6) a description of the career and technical education dual-credit program options;

(7) a description of any postsecondary education components in the skills path program;

(8) a description of employment-based training opportunities; and

(9) applicable career planning information.

Sec. 5. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are enrolled at the time of appointment at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board and the balance of the board membership with respect to labor and business representation ~~and~~; racial, gender, geographic, and ethnic composition; and occupation and experience. In selecting appointees, the

governor must consider the needs of the board for skills relevant to the governance of the Minnesota State Colleges and Universities and the candidate's ability to discharge the responsibilities of the board.

A commissioner of a state agency may not serve as a member of the board.

Sec. 6. Minnesota Statutes 2020, section 136F.302, subdivision 1, is amended to read:

Subdivision 1. **ACT or SAT college ready score; Minnesota Comprehensive Assessment career and college ready benchmarks.** (a) A state college or university must not require an individual to take a ~~remedial~~ developmental, noncredit course in a subject area if the individual has received a college ready ACT or SAT score or met a career and college ready Minnesota Comprehensive Assessment benchmark in that subject area. Only the ACT and SAT scores an individual received and the Minnesota Comprehensive Assessment benchmarks an individual met in the previous five years are valid for purposes of this section. Each state college and university must post notice of the exemption from ~~remedial~~ developmental course taking on its website explaining student course placement requirements. Prior to enrolling an individual in a developmental course, a college or university must (1) determine if the individual's performance on the ACT, SAT, or Minnesota Comprehensive Assessments exempts the individual from the developmental course under this paragraph, and (2) inform the individual if a developmental course is required.

(b) When deciding if an individual is admitted to or if an individual may enroll in a state college or university, the state college or university must consider the individual's scores on the high school Minnesota Comprehensive Assessments, in addition to other factors determined relevant by the college or university.

Sec. 7. Minnesota Statutes 2020, section 136F.302, subdivision 2, is amended to read:

Subd. 2. **Testing Process for determining if ~~remediating~~ developmental education is necessary.** (a) A college or university must not determine if an individual is placed in a developmental, noncredit course based solely on a testing process. A state college or university may use multiple measures to make a holistic determination on whether to place an individual in a developmental course. Multiple measures may include:

(1) testing under paragraph (b);

(2) the individual's scores on the high school Minnesota Comprehensive Assessments, the ACT, or the SAT;

(3) high school grade point average;

(4) teacher recommendations; and

(5) other factors determined relevant by the college or university.

(b) A college or university testing process used to determine whether an individual is placed in a ~~remedial~~ developmental, noncredit course must comply with this subdivision. Prior to taking a test, an individual must be given reasonable time and opportunity to review materials provided by the college or university covering the material to be tested which must include a sample test. An

individual who is required to take a ~~remedial~~ developmental, noncredit course as a result of a test given by a college or university must be given an opportunity to retake the test at the earliest time determined by the individual when testing is otherwise offered. The college or university must provide an individual with study materials for the purpose of retaking and passing the test.

Sec. 8. Minnesota Statutes 2020, section 136F.38, subdivision 2, is amended to read:

Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning of an academic term, in the amount of \$2,500, or \$5,000 for law enforcement students, to be distributed evenly between two terms.

Sec. 9. Minnesota Statutes 2021 Supplement, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7) construction; (8) law enforcement; or (9) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 10. Minnesota Statutes 2020, section 136F.38, subdivision 4, is amended to read:

Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but total lifetime awards are not to exceed \$7,500 per student, or \$15,000 for law enforcement students. Students may only be awarded a second scholarship upon completion of two academic terms. Students may be awarded a third scholarship if the student transfers to a corresponding program at a Minnesota state university.

Sec. 11. Minnesota Statutes 2020, section 137.022, subdivision 4, is amended to read:

Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Beginning January 1, 2013, 50 percent of the income must be allocated according to this paragraph. One-half of the income under this paragraph, up to ~~\$50,000,000~~ \$100,000,000, must be credited to the mineral research account of the fund to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research including mineral-related environmental research. The other one-half of the income under this paragraph, up to \$25,000,000, is credited to an endowment for the costs of operating a mining, ~~metallurgical~~ mineral, mineral-related, or related engineering science, technology, engineering, and mathematics (STEM) degree program programs offered through the University of Minnesota at Mesabi Range Community and Technical College and the Swenson College of Science and Engineering at Duluth to support workforce development and collaborations benefiting regional academics, industry, and natural resources on the Iron Range in northeast Minnesota and for scholarships for Minnesota students to attend the mining, ~~metallurgical, or related engineering program~~ mineral, mineral-related, or STEM programs. The maximum scholarship awarded to attend the ~~mining, metallurgical, or related engineering degree program programs~~ mineral, mineral-related, or STEM programs funded under this paragraph cannot exceed \$6,500 75 percent of current in-state tuition rates per academic year and may be awarded a maximum of four academic years.

(2) The remainder of the income under paragraph (a) plus the amount of any income under clause (1) after ~~\$50,000,000~~ \$100,000,000 has been credited to the mineral research account for the Natural Resources Research Institute and the amount of any income over the \$25,000,000 for the ~~engineering program programming in clause (1)~~ engineering program programming in clause (1) must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the Board of Regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 12. REVISOR INSTRUCTION.

The revisor of statutes shall substitute the term "developmental" for "remedial" wherever the term refers to remedial education courses at a postsecondary institution. The revisor shall also make grammatical changes related to the changes in terms to preserve the meaning of the text.

Sec. 13. REPEALER.

Minnesota Statutes 2020, section 136F.03, is repealed.

ARTICLE 3

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2020, section 136A.25, is amended to read:

136A.25 CREATION.

A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority is hereby created.

Sec. 2. Minnesota Statutes 2020, section 136A.26, is amended to read:

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit membership association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit membership association shall be determined and may be changed from time to time by the members of the authority in accordance with and as shall be provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and~~ the president of the Private College Council, or the chief executive officer of the Minnesota nonprofit membership association described in subdivision 1b shall be as provided in section 15.0575.

Sec. 3. Minnesota Statutes 2020, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations within the state be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions of higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges; ~~and~~. It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 4. Minnesota Statutes 2020, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with, another entity. For the purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the management and policies of the entity. Affiliate also means an entity whose business or substantially all of whose property is operated under a lease, management agreement, or operating agreement by another entity, or an entity who operates the business or substantially all of the property of another entity under a lease, management agreement, or operating agreement.

Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities Authority created by sections 136A.25 to 136A.42.

Subd. 3. **Project.** "~~Project~~" means ~~a structure or structures available for use as a dormitory or other student housing facility, a dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, health care facility, child care facility, and maintenance, storage, or utility facility and other structures or facilities related thereto or required or useful for the instruction of students or the conducting of research or the operation of an institution of higher education, whether proposed, under construction, or completed, including parking and other facilities or structures essential or convenient for the orderly conduct of such institution for higher education, and shall also include landscaping, site preparation, furniture, equipment and machinery, and other similar items necessary or convenient for the operation of a particular facility or structure in the manner for which its use is intended but shall not include such~~

items as books, fuel, supplies, or other items the costs of which are customarily deemed to result in a current operating charge, and shall a health care facility or an education facility whether proposed, under construction, or completed, and includes land or interests in land, appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures, furniture, machinery, equipment, and parking. Project also includes other structures, facilities, improvements, machinery, equipment, and means of transport of a capital nature that are necessary or convenient for the operation of the facility. Project does not include: (1) any facility used or to be used for sectarian instruction or as a place of religious worship nor; (2) any facility which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination; nor (3) any books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are customarily deemed to result in a current operating charge.

Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction, acquisition, alteration, enlargement, reconstruction and remodeling of a project including all lands, structures, real or personal property, rights, rights-of-way, franchises, easements and interests acquired or used for or in connection with a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which ~~such~~ buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of such construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and such other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of such construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution ~~for higher education~~ or any other lawfully pledged security of a participating institution ~~for higher education~~.

Subd. 6. **Institution of higher education.** "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located within another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located within the contiguous state is an affiliate of a health care organization located within the state.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related thereto essential or convenient for the orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use within this state as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services, and includes other structures or facilities related thereto essential or convenient for the orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution of higher education.** "Participating institution of higher education" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 5. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Sec. 6. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

Subd. 3. **Employees.** The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of said its employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the office managerial plan under section 43A.18, subdivision 3, participate.

Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution ~~of higher education~~ as its agent to determine the location and character of a project undertaken by such participating institution ~~of higher education~~ under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

(b) Notwithstanding paragraph (a), a project involving a health care facility within the state financed under sections 136A.25 to 136A.42, must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution ~~of higher education~~ to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~ \$4,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the \$4,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed \$1,750,000,000 at any time, and the aggregate principal amount used to fund health care facilities may not exceed \$2,250,000,000 at any time.

Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of such participating institutions ~~of higher education~~ or costs met by federal or state public funds, or enhance or preserve health care

or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution of higher education. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution of higher education shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules for the use of a project undertaken for such participating institution of higher education.

Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such this~~ chapter or of the authority, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of ~~such the~~ property. ~~Such~~ The sale, lease, release, disposition, or grant may be made without competitive bidding and in ~~such the~~ manner and for such consideration as the authority in its judgment deems appropriate.

Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any participating institution of higher education for the cost of a project in accordance with an agreement between the authority and the participating institution of higher education; provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the participating institution of higher education and approved by the authority.

Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and empowered to charge to and apportion among participating institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment deems appropriate.

Sec. 15. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision to read:

Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

Sec. 16. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with ~~any individual partnership, corporation or association or other body~~ one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 17. Minnesota Statutes 2020, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state ~~which~~ that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain ~~such~~ other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 18. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

Sec. 19. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~ revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision 7.

Sec. 20. Minnesota Statutes 2020, section 136A.36, is amended to read:

136A.36 REVENUES.

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and ~~to~~ may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~ the project so as to provide funds sufficient with other revenues, if any:

(1) to pay the cost of maintaining, repairing and operating the project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for;

(2) to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable; and

(3) to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund ~~which that~~ is hereby pledged to, and charged with, the payment of the principal of and the interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at ~~an~~ a participating institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien bonds.

Sec. 21. Minnesota Statutes 2020, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 22. Minnesota Statutes 2020, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution ~~of higher education~~, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.

Sec. 23. Minnesota Statutes 2020, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 24. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A, revise any statutory cross-references consistent with the recoding, and report the history in Minnesota Statutes, chapter 16F.

Sec. 25. **REPEALER.**

Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.

ARTICLE 4

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher Health and Education Facilities Authority~~, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the ~~Higher~~ Health and Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- (20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

- (21) supervisor of a soil and water conservation district;
- (22) director of Explore Minnesota Tourism;
- (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;
- (24) citizen member of the Clean Water Council established in section 114D.30;
- (25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;
- (26) district court judge, appeals court judge, or supreme court justice;
- (27) county commissioner;
- (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- (29) member of the Destination Medical Center Corporation established in section 469.41; or
- (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the ~~Higher Health and Education~~ Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Sec. 4. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

- (1) the board;
- (2) the Minnesota Office of Higher Education; and
- (3) the ~~Higher Health and Education~~ Facilities Authority.

ARTICLE 5

ENERGY AND UTILITIES

Section 1. Minnesota Statutes 2020, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds

remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) ~~and~~, (g), and (m), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or

terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island

Indian community appointed by that community's tribal council, shall develop recommendations on account expenditures. Except as otherwise provided herein, members of the advisory group shall be chosen by the public utility. The public utility may design a request for proposal in conjunction with the advisory group. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(m) The cost of acquiring the services of the independent third-party expert described in paragraph (l) and any other costs incurred in administering the advisory group and its actions as required by this section, not to exceed \$150,000, shall be paid from funds withheld by the public utility under paragraph (e).

~~(m)~~ (n) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted ~~by the advisory group~~ to the legislature commission. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph ~~(n)~~ (o).

~~(n)~~ (o) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

~~(o)~~ (p) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

~~(p)~~ (q) ~~The advisory group~~ public utility must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

~~(q)~~ (r) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the

account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(+) (s) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

(+) (t) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(+) (u) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

(+) (v) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Sec. 2. Minnesota Statutes 2021 Supplement, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

(2) \$10,000,000 in 2022;

(3) ~~\$5,000,000~~ \$10,000,000 in 2023; ~~and~~

(4) ~~\$5,000,000~~ \$10,000,000 in 2024; ~~and~~

(5) \$10,000,000 in 2025.

(e) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(f) Any unspent amount remaining on January 1, ~~2025~~ 2026, must be transferred to the renewable development account.

(g) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(h) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years unless the commissioner demonstrates that changes in the market for solar energy facilities require an increase.

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

Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means a county, municipality, or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas:

(1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section 216B.2422, or (iii) whose current operating license expires within 15 years of the effective date of this section; or

(2) ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under this section.

Sec. 4. Minnesota Statutes 2020, section 116J.55, subdivision 5, is amended to read:

Subd. 5. **Grant awards; limitations.** ~~(a) The commissioner must award grants under this section to eligible communities through a competitive grant process.~~

~~(b)~~ (a) A grant awarded to an eligible community under this section must not exceed \$500,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis.

~~(c)~~ (b) Grants funded with revenues from the renewable development account established in section 116C.779 must be awarded to an eligible community located within the retail electric service

territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located.

Sec. 5. Minnesota Statutes 2020, section 216B.096, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Annually on ~~November 1~~ October 15, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of September 15 and October 1 ~~and October 15~~. If customers remain disconnected on October ~~15~~ 1, a utility must file a report each week between ~~November 1~~ October 15 and the end of the cold weather period specifying:

(1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 6. Minnesota Statutes 2020, section 216B.24, is amended by adding a subdivision to read:

Subd. 1a. **Wind or solar electric generating facilities.** Any person proposing construction of a major utility facility that is a wind or solar electric generating facility designed for or capable of operation at a capacity of 50 megawatts or more must, in addition to any approvals required under this chapter, obtain approval from the governing board of and pursuant to the land use ordinance of the county in which the proposed wind or solar electric generating facility will be located.

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

Sec. 7. Minnesota Statutes 2020, section 216B.243, subdivision 3b, is amended to read:

Subd. 3b. ~~**Nuclear power plant; new construction prohibited; relicensing**~~ **Additional storage of spent nuclear fuel.** ~~(a) The commission may not issue a certificate of need for the construction of a new nuclear powered electric generating plant.~~

~~(b)~~ Any certificate of need for additional storage of spent nuclear fuel for a facility seeking a license extension shall address the impacts of continued operations over the period for which approval is sought.

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

Sec. 8. **[216B.491] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 216B.491 to 216B.499, the terms defined in this subdivision have the meanings given.

Subd. 2. **Ancillary agreement.** "Ancillary agreement" means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with extraordinary event bonds that is designed to promote the credit quality and marketability of extraordinary event bonds or to mitigate the risk of an increase in interest rates.

Subd. 3. **Assignee.** "Assignee" means any person to which an interest in extraordinary event property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of the person.

Subd. 4. **Bondholder.** "Bondholder" means any holder or owner of extraordinary event bonds.

Subd. 5. **Customer.** "Customer" means a person who takes natural gas service from a natural gas utility for consumption of natural gas in Minnesota.

Subd. 6. **Extraordinary event.** (a) "Extraordinary event" means an event arising from unforeseen circumstances and of sufficient magnitude, as determined by the commission:

(1) to impose significant costs on customers; and

(2) for which the issuance of extraordinary event bonds in response to the event meets the conditions of section 216B.492, subdivision 2, as determined by the commission.

(b) Extraordinary event includes but is not limited to a storm event or other natural disaster, an act of God, war, terrorism, sabotage or vandalism, a cybersecurity attack, or a temporary significant increase in the wholesale price of natural gas.

Subd. 7. **Extraordinary event activity.** "Extraordinary event activity" means an activity undertaken by or on behalf of a utility to restore or maintain the utility's ability to provide natural gas service following one or more extraordinary events, including but not limited to activities related to mobilization, staging, construction, reconstruction, replacement, or repair of natural gas transmission, distribution, storage, or general facilities.

Subd. 8. **Extraordinary event bonds.** "Extraordinary event bonds" means low-cost corporate securities, including but not limited to senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that have a scheduled maturity of no longer than 30 years and a final legal maturity date that is not later than 32 years from the issue date, that are rated AA or Aa2 or better by a major independent credit rating agency at the time of issuance, and that are issued by a utility or an assignee under a financing order.

Subd. 9. **Extraordinary event charge.** "Extraordinary event charge" means a nonbypassable charge that:

(1) is imposed on all customer bills by a utility that is the subject of a financing order or the utility's successors or assignees;

(2) is separate from the utility's base rates; and

(3) provides a source of revenue solely to repay, finance, or refinance extraordinary event costs.

Subd. 10. Extraordinary event costs. "Extraordinary event costs":

(1) means all incremental costs of extraordinary event activities that are approved by the commission in a financing order issued under section 216B.492 as being:

(i) necessary to enable the utility to restore or maintain natural gas service to customers after the utility experiences an extraordinary event; and

(ii) prudent and reasonable;

(2) includes costs to repurchase equity or retire any indebtedness relating to extraordinary event activities;

(3) shall be net of applicable insurance proceeds, tax benefits, and any other amounts intended to reimburse the utility for extraordinary event activities, including government grants or aid of any kind;

(4) do not include any monetary penalty, fine, or forfeiture assessed against a utility by a government agency or court under a federal or state environmental statute, rule, or regulation; and

(5) must be adjusted to reflect:

(i) the difference, as determined by the commission, between extraordinary event costs that the utility expects to incur and actual, reasonable, and prudent costs incurred; or

(ii) a more fair or reasonable allocation of extraordinary event costs to customers over time, as expressed in a commission order.

Subd. 11. Extraordinary event property. "Extraordinary event property" means:

(1) all rights and interests of a utility or the utility's successor or assignee under a financing order for the right to impose, bill, collect, receive, and obtain periodic adjustments to extraordinary event charges authorized under a financing order issued by the commission; and

(2) all revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in clause (1), regardless of whether any are commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

Subd. 12. Extraordinary event revenue. "Extraordinary event revenue" means revenue, receipts, collections, payments, money, claims, or other proceeds arising from extraordinary event property.

Subd. 13. Financing costs. "Financing costs" means:

(1) principal, interest, and redemption premiums that are payable on extraordinary event bonds;

(2) payments required under an ancillary agreement and amounts required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to the bonds;

(3) other demonstrable costs related to issuing, supporting, repaying, refunding, and servicing the bonds, including but not limited to servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial adviser fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of the bonds or other amounts or charges payable in connection with the bonds;

(4) taxes and license fees imposed on the revenue generated from collecting an extraordinary event charge;

(5) state and local taxes, including franchise, sales and use, and other taxes or similar charges, including but not limited to regulatory assessment fees, whether paid, payable, or accrued; and

(6) costs incurred by the commission to hire and compensate additional temporary staff needed to perform the commission's responsibilities under this section and, in accordance with section 216B.494, to engage specialized counsel and expert consultants experienced in securitized utility ratepayer-backed bond financing similar to extraordinary event bonds.

Subd. 14. **Financing order.** "Financing order" means an order issued by the commission under section 216B.492 that authorizes an applicant to:

- (1) issue extraordinary event bonds in one or more series;
- (2) impose, charge, and collect extraordinary event charges; and
- (3) create extraordinary event property.

Subd. 15. **Financing party.** "Financing party" means a holder of extraordinary event bonds and a trustee, a collateral agent, a party under an ancillary agreement, or any other person acting for the benefit of extraordinary event bondholders.

Subd. 16. **Natural gas facility.** "Natural gas facility" means natural gas pipelines, including distribution lines, underground storage areas, liquefied natural gas facilities, propane storage tanks, and other facilities the commission determines are used and useful to provide natural gas service to retail and transportation customers in Minnesota.

Subd. 17. **Nonbypassable.** "Nonbypassable" means that the payment of an extraordinary event charge required to repay bonds and related costs may not be avoided by any retail customer located within a utility service area.

Subd. 18. **Pretax costs.** "Pretax costs" means costs incurred by a utility and approved by the commission, including but not limited to:

- (1) unrecovered capitalized costs of replaced natural gas facilities damaged or destroyed by a storm event;
- (2) costs to decommission and restore the site of a natural gas facility damaged or destroyed by an extraordinary event;

(3) other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance, and salvage proceeds; and

(4) costs to retire any existing indebtedness, fees, costs, and expenses to modify existing debt agreements, or for waivers or consents related to existing debt agreements.

Subd. 19. **Storm event.** "Storm event" means a tornado, derecho, ice or snow storm, flood, earthquake, or other significant weather or natural disaster that causes substantial damage to a utility's infrastructure.

Subd. 20. **Successor.** "Successor" means a legal entity that succeeds by operation of law to the rights and obligations of another legal entity as a result of bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets.

Subd. 21. **Utility.** "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that provides natural gas service to Minnesota customers. Utility includes the utility's successors or assignees.

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

Sec. 9. **[216B.492] FINANCING ORDER.**

Subdivision 1. **Application.** (a) A utility may file an application with the commission for the issuance of a financing order to enable the utility to recover extraordinary event costs through the issuance of extraordinary event bonds under this section.

(b) The application must include the following information, as applicable:

(1) a description of each natural gas facility to be repaired or replaced;

(2) the undepreciated value remaining in the natural gas facility whose repair or replacement is proposed to be financed through the issuance of bonds under sections 216B.491 to 216B.499, and the method used to calculate the amount;

(3) the estimated amount of costs imposed on customers resulting from an extraordinary event that involves no physical damage to natural gas facilities;

(4) the estimated savings or estimated mitigation of rate impacts to utility customers if the financing order is issued as requested in the application, calculated by comparing the costs to customers that are expected to result from implementing the financing order and the estimated costs associated with implementing traditional utility financing mechanisms with respect to the same undepreciated balance, expressed in net present value terms;

(5) a description of (i) the nonbypassable extraordinary event charge utility customers would be required to pay in order to fully recover financing costs, and (ii) the method and assumptions used to calculate the amount;

(6) a proposed methodology to allocate the revenue requirement for the extraordinary event charge among the utility's customer classes;

(7) a description of a proposed adjustment mechanism to be implemented when necessary to correct any overcollection or undercollection of extraordinary event charges, in order to complete payment of scheduled principal and interest on extraordinary event bonds and other financing costs in a timely fashion;

(8) a memorandum with supporting exhibits, from a securities firm that is experienced in the marketing of bonds and that is approved by the commissioner of management and budget, indicating the proposed issuance satisfies the current published AA or Aa2 or higher rating or equivalent rating criteria of at least one nationally recognized securities rating organization for issuances similar to the proposed extraordinary event bonds;

(9) an estimate of the timing of the issuance and the term of the extraordinary event bonds, or series of bonds, provided that the scheduled final maturity for each bond issuance does not exceed 30 years;

(10) identification of plans to sell, assign, transfer, or convey, other than as a security, interest in extraordinary event property, including identification of an assignee, and demonstration that the assignee is a financing entity wholly owned, directly or indirectly, by the utility;

(11) identification of ancillary agreements that may be necessary or appropriate;

(12) one or more alternative financing scenarios in addition to the preferred scenario contained in the application;

(13) the extent of damage to the utility's infrastructure caused by an extraordinary event and the estimated costs to repair or replace the damaged infrastructure;

(14) a schedule of the proposed repairs to and replacement of damaged infrastructure;

(15) a description of the steps taken to provide customers interim natural gas service while the damaged infrastructure is being repaired or replaced; and

(16) a description of the impacts on the utility's current workforce resulting from implementing an infrastructure repair or replacement plan following an extraordinary event.

Subd. 2. **Findings.** After providing notice and holding a public hearing on an application filed under subdivision 1, the commission may issue a financing order if the commission finds that:

(1) the extraordinary event costs described in the application are reasonable;

(2) the proposed issuance of extraordinary event bonds and the imposition and collection of extraordinary event charges:

(i) are just and reasonable;

(ii) are consistent with the public interest;

(iii) constitute a prudent and reasonable mechanism to finance the extraordinary event costs; and

(iv) provide tangible and quantifiable benefits to customers that exceed the benefits that would have been achieved absent the issuance of extraordinary event bonds; and

(3) the proposed structuring, marketing, and pricing of the extraordinary event bonds:

(i) significantly lower overall costs to customers or significantly mitigate rate impacts to customers relative to traditional methods of financing; and

(ii) achieve significant customer savings or significant mitigation of rate impacts to customers, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

Subd. 3. **Contents.** (a) A financing order issued under this section must:

(1) determine the maximum amount of extraordinary event costs that may be financed from proceeds of extraordinary event bonds issued pursuant to the financing order;

(2) describe the proposed customer billing mechanism for extraordinary event charges and include a finding that the mechanism is just and reasonable;

(3) describe the financing costs that may be recovered through extraordinary event charges and the period over which the costs may be recovered, which must end no earlier than the date of final legal maturity of the extraordinary event bonds;

(4) describe the extraordinary event property that is created and that may be used to pay, and secure the payment of, the extraordinary event bonds and financing costs authorized in the financing order;

(5) authorize the utility to finance extraordinary event costs through the issuance of one or more series of extraordinary event bonds. A utility is not required to secure a separate financing order for each issuance of extraordinary event bonds or for each scheduled phase of the replacement of natural gas facilities approved in the financing order;

(6) include a formula-based mechanism that must be used to make expeditious periodic adjustments to the extraordinary event charge authorized by the financing order that are necessary to correct for any overcollection or undercollection, or to otherwise guarantee the timely payment of extraordinary event bonds, financing costs, and other required amounts and charges payable in connection with extraordinary event bonds;

(7) specify the degree of flexibility afforded to the utility in establishing the terms and conditions of the extraordinary event bonds, including but not limited to repayment schedules, expected interest rates, and other financing costs;

(8) specify that the extraordinary event bonds must be issued as soon as feasible following issuance of the financing order;

(9) require the utility, at the same time as extraordinary event charges are initially collected and independent of the schedule to close and decommission any natural gas facility replaced as the result of an extraordinary event, to remove the natural gas facility from the utility's rate base and commensurately reduce the utility's base rates;

(10) specify a future ratemaking process to reconcile any difference between the projected pretax costs included in the amount financed by extraordinary event bonds and the final actual pretax costs incurred by the utility to retire or replace the natural gas facility;

(11) specify information regarding bond issuance and repayments, financing costs, energy transaction charges, extraordinary event property, and related matters that the natural gas utility is required to provide to the commission on a schedule determined by the commission;

(12) allow and may require the creation of a utility's extraordinary event property to be conditioned on, and occur simultaneously with, the sale or other transfer of the extraordinary event property to an assignee and the pledge of the extraordinary event property to secure the extraordinary event bonds;

(13) ensure that the structuring, marketing, and pricing of extraordinary event bonds result in reasonable securitization bond charges and significant customer savings or rate impact mitigation, consistent with market conditions and the terms of the financing order; and

(14) specify that a utility financing the replacement of one or more natural gas facilities after the natural gas facilities subject to the finance order are removed from the utility's rate base is prohibited from:

(i) operating the natural gas facilities; or

(ii) selling the natural gas facilities to another entity to be operated as natural gas facilities.

(b) A financing order issued under this section may:

(1) include conditions different from those requested in the application that the commission determines are necessary to:

(i) promote the public interest; and

(ii) maximize the financial benefits or minimize the financial risks of the transaction to customers and to directly impacted Minnesota workers and communities; and

(2) specify the selection of one or more underwriters of the extraordinary event bonds.

Subd. 4. **Duration; irrevocability; subsequent order.** (a) A financing order remains in effect until the extraordinary event bonds issued under the financing order and all financing costs related to the bonds have been paid in full.

(b) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the utility to which the financing order applies or any affiliate, successor, or assignee of the utility to which the financing order applies.

(c) Subject to judicial review under section 216B.52, a financing order is irrevocable and is not reviewable by a future commission. The commission may not reduce, impair, postpone, or terminate extraordinary event charges approved in a financing order, or impair extraordinary event property or the collection or recovery of extraordinary event revenue.

(d) Notwithstanding paragraph (c), the commission may, on the commission's own motion or at the request of a utility or any other person, commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding extraordinary event bonds issued under the original financing order if:

(1) the commission makes all of the findings specified in subdivision 2 with respect to the subsequent financing order; and

(2) the modification contained in the subsequent financing order does not in any way impair the covenants and terms of the extraordinary event bonds being refinanced, retired, or refunded.

Subd. 5. **Effect on commission jurisdiction.** (a) Except as provided in paragraph (b), the commission, in exercising the powers and carrying out the duties under this section, is prohibited from:

(1) considering extraordinary event bonds issued under this section to be debt of the utility other than for income tax purposes, unless it is necessary to consider the extraordinary event bonds to be debt in order to achieve consistency with prevailing utility debt rating methodologies;

(2) considering the extraordinary event charges paid under the financing order to be revenue of the utility;

(3) considering the extraordinary event or financing costs specified in the financing order to be the regulated costs or assets of the utility; or

(4) determining that any prudent action taken by a utility that is consistent with the financing order is unjust or unreasonable.

(b) Nothing in this subdivision:

(1) affects the authority of the commission to apply or modify any billing mechanism designed to recover extraordinary event charges;

(2) prevents or precludes the commission from (i) investigating a utility's compliance with the terms and conditions of a financing order, and (ii) requiring compliance with the financing order; or

(3) prevents or precludes the commission from imposing regulatory sanctions against a utility for failure to comply with the terms and conditions of a financing order or the requirements of this section.

(c) The commission is prohibited from refusing to allow a utility to recover any costs associated with the replacement of natural gas facilities solely because the utility has elected to finance the natural gas facility replacement through a financing mechanism other than extraordinary event bonds.

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

Sec. 10. **[216B.493] POSTORDER COMMISSION DUTIES.**

Subdivision 1. **Financing cost review.** Within 120 days after the date extraordinary event bonds are issued, a utility subject to a financing order must file with the commission the actual initial and ongoing financing costs, the final structure and pricing of the extraordinary event bonds, and the actual extraordinary event charge. The commission must review the prudence of the natural gas utility's actions to determine whether the actual financing costs were the lowest that could reasonably be achieved given the terms of the financing order and market conditions prevailing at the time of the bond's issuance.

Subd. 2. **Enforcement.** If the commission determines that a utility's actions under this section are not prudent or are inconsistent with the financing order, the commission may apply any remedies available, provided that any remedy applied may not directly or indirectly impair the security for the extraordinary event bonds.

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

Sec. 11. **[216B.494] USE OF OUTSIDE EXPERTS.**

(a) In carrying out the duties under this section, the commission may:

(1) contract with outside consultants and counsel experienced in securitized utility customer-backed bond financing similar to extraordinary event bonds; and

(2) hire and compensate additional temporary staff as needed.

Expenses incurred by the commission under this paragraph must be treated as financing costs and included in the extraordinary event charge. The costs incurred under clause (1) are not an obligation of the state and are assigned solely to the transaction.

(b) A utility presented with a written request from the commission for reimbursement of the commission's expenses incurred under paragraph (a), accompanied by a detailed account of those expenses, must remit full payment of the expenses to the commission within 30 days of receiving the request.

(c) If a utility's application for a financing order is denied or withdrawn for any reason and extraordinary event bonds are not issued, the commission's costs to retain expert consultants under this section must be paid by the applicant utility and are deemed to be prudent deferred expenses eligible for recovery in the utility's future rates.

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

Sec. 12. **[216B.495] EXTRAORDINARY EVENT CHARGE; BILLING TREATMENT.**

(a) A utility that obtains a financing order and causes extraordinary event bonds to be issued must:

(1) include on each customer's monthly natural gas bill:

(i) a statement that a portion of the charges represents extraordinary event charges approved in a financing order;

(ii) the amount and rate of the extraordinary event charge as a separate line item titled "extraordinary event charge"; and

(iii) if extraordinary event property has been transferred to an assignee, a statement that the assignee is the owner of the rights to extraordinary event charges and that the utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee; and

(2) file annually with the commission:

(i) a calculation of the impact of financing the retirement or replacement of natural gas facilities on customer rates, itemized by customer class; and

(ii) evidence demonstrating that extraordinary event revenues are applied solely to the repayment of extraordinary event bonds and other financing costs.

(b) Extraordinary event charges are nonbypassable and must be paid by all existing and future customers receiving service from the utility or the utility's successors or assignees under commission-approved rate schedules or special contracts.

(c) A utility's failure to comply with this section does not invalidate, impair, or affect any financing order, extraordinary event property, extraordinary event charge, or extraordinary event bonds, but does subject the utility to penalties under applicable commission rules.

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

Sec. 13. [216B.496] EXTRAORDINARY EVENT PROPERTY.

Subdivision 1. **General.** (a) Extraordinary event property is an existing present property right or interest in a property right, even though the imposition and collection of extraordinary event charges depend on the utility collecting extraordinary event charges and on future natural gas consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the extraordinary event property have been billed, have accrued, or have been collected.

(b) Extraordinary event property exists until all extraordinary event bonds issued under a financing order are paid in full and all financing costs and other costs of the extraordinary event bonds have been recovered in full.

(c) All or any portion of extraordinary event property described in a financing order issued to a utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the utility and is created for the limited purpose of acquiring, owning, or administering extraordinary event property or issuing extraordinary event bonds authorized by the financing order. All or any portion of extraordinary event property may be pledged to secure extraordinary event bonds issued under a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by a utility or an affiliate of extraordinary event property is a transaction in the ordinary course of business.

(d) If a utility defaults on any required payment of charges arising from extraordinary event property described in a financing order, a court, upon petition by an interested party and without

limiting any other remedies available to the petitioner, must order the sequestration and payment of the revenues arising from the extraordinary event property to the financing parties.

(e) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in extraordinary event property specified in a financing order issued to a utility, and in the revenue and collections arising from the property, is not subject to setoff, counterclaim, surcharge, or defense by the utility or any other person, or in connection with the reorganization, bankruptcy, or other insolvency of the utility or any other entity.

(f) A successor to a utility, whether resulting from a reorganization, bankruptcy, or other insolvency proceeding; merger or acquisition; sale; other business combination; transfer by operation of law; utility restructuring; or otherwise, must perform and satisfy all obligations of, and has the same duties and rights under, a financing order as the utility to which the financing order applies. A successor to a utility must perform the duties and exercise the rights in the same manner and to the same extent as the utility, including collecting and paying to any person entitled to receive revenues, collections, payments, or proceeds of extraordinary event property.

Subd. 2. **Security interests in extraordinary event property.** (a) The creation, perfection, and enforcement of any security interest in extraordinary event property to secure the repayment of the principal and interest on extraordinary event bonds, amounts payable under any ancillary agreement, and other financing costs are governed solely by this section.

(b) A security interest in extraordinary event property is created, valid, and binding when:

(1) the financing order that describes the extraordinary event property is issued;

(2) a security agreement is executed and delivered; and

(3) value is received for the extraordinary event bonds.

(c) Once a security interest in extraordinary event property is created, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether the parties have notice of the lien, upon the filing of a financing statement with the secretary of state.

(d) The description or indication of extraordinary event property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this section and the financing order creating the extraordinary event property.

(e) A security interest in extraordinary event property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the extraordinary event property unless the holder of the security interest has agreed otherwise in writing.

(f) The priority of a security interest in extraordinary event property is not affected by the commingling of extraordinary event property or extraordinary event revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all extraordinary event property or extraordinary event revenue that is pledged to pay extraordinary

event bonds, even if the extraordinary event property or extraordinary event revenue is deposited in a cash or deposit account of the utility in which the extraordinary event revenue is commingled with other money. Any other security interest that applies to the other money does not apply to the extraordinary event revenue.

(g) Neither a subsequent commission order amending a financing order under section 216B.492, subdivision 4, nor application of an adjustment mechanism authorized by a financing order under section 216B.492, subdivision 3, affects the validity, perfection, or priority of a security interest in or transfer of extraordinary event property.

(h) A valid and enforceable security interest in extraordinary event property is perfected only when the security interest has attached and when a financing order has been filed with the secretary of state in accordance with procedures established by the secretary of state. The financing order must name the pledgor of the extraordinary event property as debtor and identify the property.

Subd. 3. **Sales of extraordinary event property.** (a) A sale, assignment, or transfer of extraordinary event property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the extraordinary event property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in extraordinary event property may be created when:

(1) the financing order creating and describing the extraordinary event property is effective;

(2) the documents evidencing the transfer of the extraordinary event property are executed and delivered to the assignee; and

(3) value is received.

(b) A transfer of an interest in extraordinary event property must be filed with the secretary of state against all third persons and perfected under sections 336.3-301 to 336.3-312, including any judicial lien or other lien creditors or any claims of the seller or creditors of the seller, other than creditors holding a prior security interest, ownership interest, or assignment in the extraordinary event property previously perfected under this subdivision or subdivision 2.

(c) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale, and the corresponding characterization of the property interest of the assignee, is not affected or impaired by:

(1) commingling of extraordinary event revenue with other money;

(2) the retention by the seller of:

(i) a partial or residual interest, including an equity interest, in the extraordinary event property, whether direct or indirect, or whether subordinate or otherwise; or

(ii) the right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of extraordinary event revenue;

(3) any recourse that the purchaser may have against the seller;

- (4) any indemnification rights, obligations, or repurchase rights made or provided by the seller;
- (5) an obligation of the seller to collect extraordinary event revenues on behalf of an assignee;
- (6) the treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;
- (7) any subsequent financing order amending a financing order under section 216B.492, subdivision 4, paragraph (d); or
- (8) any application of an adjustment mechanism under section 216B.492, subdivision 3, paragraph (a), clause (6).

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

Sec. 14. [216B.497] EXTRAORDINARY EVENT BONDS.

(a) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within the individual's or entity's control in extraordinary event bonds.

(b) Extraordinary event bonds issued under a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any political subdivision. Holders of extraordinary event bonds may not have taxes levied by the state or a political subdivision in order to pay the principal or interest on extraordinary event bonds. The issuance of extraordinary event bonds does not directly, indirectly, or contingently obligate the state or a political subdivision to levy any tax or make any appropriation to pay principal or interest on the extraordinary event bonds.

(c) The state pledges to and agrees with holders of extraordinary event bonds, any assignee, and any financing parties that the state will not:

(1) take or permit any action that impairs the value of extraordinary event property; or

(2) reduce, alter, or impair extraordinary event charges that are imposed, collected, and remitted for the benefit of holders of extraordinary event bonds, any assignee, and any financing parties until any principal, interest, and redemption premium payable on extraordinary event bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(d) A person who issues extraordinary event bonds may include the pledge specified in paragraph (c) in the extraordinary event bonds, ancillary agreements, and documentation related to the issuance and marketing of the extraordinary event bonds.

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

Sec. 15. [216B.498] ASSIGNEE OF FINANCING PARTY NOT SUBJECT TO COMMISSION REGULATION.

An assignee or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in sections 216B.491 to 216B.499.

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

Sec. 16. **[216B.499] EFFECT ON OTHER LAWS.**

(a) If any provision of sections 216B.491 to 216B.499 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of extraordinary event property, sections 216B.491 to 216B.499 govern.

(b) Nothing in this section precludes a utility for which the commission has initially issued a financing order from applying to the commission for:

(1) a subsequent financing order amending the financing order under section 216B.492, subdivision 4, paragraph (d); or

(2) approval to issue extraordinary event bonds to refund all or a portion of an outstanding series of extraordinary event bonds.

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

Sec. 17. Minnesota Statutes 2020, section 216B.50, subdivision 1, is amended to read:

Subdivision 1. **Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of ~~\$100,000~~ \$1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

Sec. 18. Minnesota Statutes 2021 Supplement, section 216C.376, subdivision 5, is amended to read:

Subd. 5. **Program funding.** (a) In 2022, the public utility subject to section 116C.779 must withhold \$8,000,000 from the transfer made under section 116C.779, subdivision 1, paragraph (e), to pay for assistance provided by the program under this section. In 2024, the amount that must be withheld is \$8,000,000. The money withheld under this paragraph must be used to pay for financial assistance awarded under this section and the costs to administer this section. Any money that remains unexpended ~~on June 30, 2027,~~ five years after the money is withheld cancels to the renewable development account.

(b) The renewable energy credits associated with the electricity generated by a solar energy system installed under this section are the property of the public utility that is subject to this section for the life of the system, regardless of the duration of the financial assistance provided by the public utility under this section.

Sec. 19. Minnesota Statutes 2020, section 216C.435, subdivision 8, is amended to read:

Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property" means a multifamily residential dwelling, ~~or~~ a commercial or industrial building, or farmland that the implementing entity has determined, after review of an energy audit ~~or~~, renewable energy system feasibility study, or agronomic assessment, ~~can be benefited by~~ benefit from the installation of cost-effective energy improvements or land and water improvements, as defined in section 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

Sec. 20. Minnesota Statutes 2020, section 216C.436, is amended by adding a subdivision to read:

Subd. 1b. **Definition.** For the purposes of this section, "land and water improvements" means:

(1) any improvement to qualifying farmland, as defined in section 273.13, subdivision 23, that is permanent in nature, results in improved agricultural productivity or resiliency, and reduces environmental impact; or

(2) water conservation measures, which includes permanently affixed equipment, appliances, or improvements that reduce a property's water consumption or that enable the property to manage water more efficiently.

Sec. 21. Minnesota Statutes 2020, section 216C.436, subdivision 2, is amended to read:

Subd. 2. **Program requirements.** A commercial PACE loan program must:

(1) impose requirements and conditions on financing arrangements to ensure timely repayment;

(2) require an energy audit or renewable energy system feasibility study to be conducted on the qualifying commercial real property and reviewed by the implementing entity prior to approval of the financing;

(3) require the inspection of all installations and a performance verification of at least ten percent of the cost-effective energy improvements or land and water improvements financed by the program;

(4) not prohibit the financing of all cost-effective energy improvements or land and water improvements not otherwise prohibited by this section;

(5) require that all cost-effective energy improvements or land and water improvements be made to a qualifying commercial real property prior to, or in conjunction with, an applicant's repayment of financing for cost-effective energy improvements for that property;

(6) have cost-effective energy improvements or land and water improvements financed by the program performed by a licensed contractor as required by chapter 326B or other law or ordinance;

(7) require disclosures to borrowers by the implementing entity of the risks involved in borrowing, including the risk of foreclosure if a tax delinquency results from a default;

(8) provide financing only to those who demonstrate an ability to repay;

(9) not provide financing for a qualifying commercial real property in which the owner is not current on mortgage or real property tax payments;

(10) require a petition to the implementing entity by all owners of the qualifying commercial real property requesting collections of repayments as a special assessment under section 429.101;

(11) provide that payments and assessments are not accelerated due to a default and that a tax delinquency exists only for assessments not paid when due; ~~and~~

(12) require that liability for special assessments related to the financing runs with the qualifying commercial real property; and

(13) prior to financing any improvements to or imposing any assessment upon qualifying commercial real property, require notice to and written consent from the mortgage lender of any mortgage encumbering or otherwise secured by the qualifying commercial real property.

Sec. 22. [216H.022] CARBON CAPTURE AND SEQUESTRATION; STATE POLICY.

It is the policy of the state to support the development and deployment of carbon capture and sequestration technologies in Minnesota as a method of reducing greenhouse gas emissions in order to achieve the state greenhouse gas emission-reduction goals established under section 216H.02, subdivision 1.

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

Sec. 23. Minnesota Statutes 2020, section 237.55, is amended to read:

237.55 ANNUAL REPORT ON TELECOMMUNICATIONS ACCESS.

The commissioner of commerce must prepare a report for presentation to the Public Utilities Commission by ~~January~~ March 31 of each year. Each report must review the accessibility of telecommunications services to persons who have communication disabilities, describe services provided, account for annual revenues and expenditures for each aspect of the fund to date, and include predicted program future operation.

Sec. 24. [465.485] BAN ON NATURAL GAS AND PROPANE HOOKUPS; PROHIBITION.

A political subdivision is prohibited from adopting an ordinance, resolution, code, policy, or permit requirement that prohibits or has the effect of preventing a utility from (1) connecting or reconnecting natural gas or propane to any building, or (2) supplying natural gas or propane to any building or utility customer.

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

Sec. 25. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for deposit in the community energy transition account established in Minnesota Statutes, section 116J.55, subdivision 3. This is a onetime appropriation and is available until June 30, ~~2022~~ 2025.

(b) If another bill is enacted during the 2020 regular legislative session that appropriates money from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes, section 116J.55, the appropriation under this subdivision cancels to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

Sec. 26. Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 1, is amended to read:

		4,825,000		1,800,000
Subdivision 1. Total Appropriation	\$	<u>4,325,000</u>	\$	<u>1,300,000</u>

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

Sec. 27. **ADVANCED NUCLEAR STUDY.**

Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation in Minnesota.

(b) At a minimum, the study must address the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation on:

(1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation Energy Act, Laws 2007, chapter 136;

(2) system costs for ratepayers;

(3) system reliability;

(4) the environment;

(5) local jobs; and

(6) local economic development.

(c) The study must also evaluate:

(1) current Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors; and

(2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors, while accounting for the avoided costs that result from the closure of coal-fired plants.

Subd. 2. **Report.** The commissioner of commerce must submit the results of the study under subdivision 1 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2023.

Sec. 28. DECOMMISSIONING AND DEMOLITION PLAN FOR COAL-FIRED PLANT.

As a part of the next resource plan filing under Minnesota Statutes, section 216B.2422, subdivision 2, but no later than December 31, 2025, the public utility that owns an electric generation facility that is powered by coal, scheduled for retirement in 2028, and located within the St. Croix National Scenic Riverway must provide, to the extent known, the public utility's plan and a detailed timeline to decommission and demolish the electric generation facility and remediate pollution at the electric generation facility site. The public utility must also provide a copy of the plan and timeline to the governing body of the municipality where the electric generation facility is located on the same date the plan and timeline are submitted to the Public Utilities Commission. If a resource plan is not filed or required before December 31, 2025, the plan and timeline must be submitted to the Public Utilities Commission and the municipality as a separate filing by December 31, 2025.

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

Sec. 29. APPROPRIATIONS.

Subdivision 1. **Advanced nuclear study.** \$150,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce to conduct an advanced nuclear study and develop a report. This is a onetime appropriation.

Subd. 2. **Solar for schools.** \$4,150,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of commerce to provide financial assistance to schools to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This appropriation is available until June 30, 2028. The base amount for fiscal year 2024 is \$5,700,000. The base amount for fiscal year 2025 is \$0.

Subd. 3. **Granite Falls hydroelectric generating facility.** Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,290,000 is appropriated in fiscal year 2023 from the renewable development account established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation. Any amount of the appropriation under this paragraph that remains unexpended on June 30, 2024, must be returned to the renewable development account.

Subd. 4. **Community energy transition grants.** \$3,500,000 in fiscal year 2023 is appropriated from the renewable development account to the commissioner of employment and economic development. This appropriation is available only for grants to eligible communities located within the service territory of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2029.

Subd. 5. National Sports Center solar array. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$3,500,000 in fiscal year 2023 is appropriated from the renewable development account to the Minnesota Amateur Sports Commission to install solar arrays. This appropriation may be used to install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Sec. 30. **REPEALER.**

Laws 2005, chapter 97, article 10, section 3, as amended by Laws 2013, chapter 85, article 7, section 9; and Laws 2021, First Special Session chapter 4, article 2, section 3, subdivision 3, are repealed."

Page 1, line 11, before "APPROPRIATIONS" insert "JOBS AND ECONOMIC GROWTH"

Page 3, before line 17, insert:

"Sec. 3. Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 2, is amended to read:

Subd. 2. Business and Community Development	208,015,000	44,741,000
Appropriations by Fund		
General	205,215,000	41,941,000
Remediation	700,000	700,000
Workforce Development	2,100,000	2,100,000

(a) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2025.

(b) \$8,425,000 in the first year and \$1,425,000 in the second year are 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 and \$7,000,000 in the first year is for technical assistance to small businesses. Except for awards for technical assistance for small businesses, all grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to

116J.558. This appropriation is available until expended.

(d) \$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 expended.

(e) \$139,000 each year is for the Center for Rural Policy and Development.

(f) \$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.

(g) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h)(1) \$2,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. This appropriation is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In fiscal year 2024 and beyond, the base amount is \$1,500,000.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements.

In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, 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 cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(i) \$1,500,000 each year is for a grant to the Minnesota Initiative Foundations. This appropriation is available until June 30, 2025. In fiscal year 2024 and beyond, the base amount is \$1,000,000. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality

engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(j) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(k) \$10,029,000 the first year and \$10,028,000 the second year are for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is \$12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(l) \$0 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. In fiscal year 2024 and beyond, the base amount is \$2,246,000.

(m) \$1,000,000 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 expended. Of this amount, up to four percent is for administration and monitoring of the program.

(n) \$325,000 each year is 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.

(o) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(p) \$500,000 each year 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 available until June 30, 2025.

(q) \$4,195,000 each year 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 expended.

(r) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(s) \$2,500,000 each year is for Launch Minnesota. This appropriation is available until June 30, 2025. The base in fiscal year 2026 is \$0. Of this amount:

(1) \$1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 each year is for administration of Launch Minnesota; and

(3) \$500,000 each year is for grantee activities at Launch Minnesota.

(t) \$1,148,000 the first year is for a grant to the Northeast Entrepreneur Fund, a small business administration microlender and community development financial institution operating in northern Minnesota. Grant funds must be used as capital for accessing additional federal lending for small businesses impacted by COVID-19 and must be returned to the commissioner for deposit in the general fund if the Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022.

(u) \$80,000,000 the first year is for the Main Street Economic Revitalization Loan Program. Of this amount, up to \$300,000 is for the commissioner's administration and monitoring of the program. This appropriation is available until June 30, 2025.

(v) \$70,000,000 the first year is for the Main Street COVID-19 Relief Grant Program. Of this amount, up to:

(1) \$34,950,000 is for grants to the Minnesota Initiative Foundations to serve businesses outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) \$34,950,000 is for grants to partner organizations to serve businesses inside the

metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2; and

(3) \$100,000 is for the commissioner's administration and monitoring of the program.

(w) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(x) \$500,000 each year is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439. In awarding grants with this appropriation, the commissioner must prioritize eligible applicants that did not receive a grant pursuant to the appropriation in Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, paragraph (q).

(y) \$750,000 each year is from the workforce development fund for grants to the Neighborhood Development Center for small business programs, including:

(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.

(z) \$5,000,000 in the first year is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This appropriation is available until April 1, ~~2022~~ 2023.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022."

Page 17, after line 30, insert:

"Sec. 16. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** Lake of the Woods County shall establish a loan program to make forgivable loans to eligible remote recreational businesses that experienced a loss in revenue that is greater than 30 percent during the period between March 15, ~~2020~~ 2021, and March 15, ~~2021~~ 2022, as compared with ~~the previous year~~ March 15, 2019, and March 15, 2020.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 17. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** To be eligible for a forgivable loan, a remote recreational business must:

(1) have been in operation on March 15, ~~2020~~ 2021;

(2) show that the closure and ongoing COVID-19-related requirements of the United States and Canadian border restricted the ability of American customers to access the location of the remote recreational business; and

(3) not have received a grant under the Main Street COVID-19 relief grant program.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 18. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) Lake of the Woods County shall develop forms and procedures for soliciting and reviewing applications for loans under this section.

(b) Loans shall be made before ~~April 1, 2022~~ December 30, 2022. Any funds not spent by April 1, ~~2022~~ 2023, must be returned to the state general fund.

(c) If there are insufficient funds to fund all claims in full, the county shall distribute funds on a prorated basis.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 19. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 5, is amended to read:

Subd. 5. **Maximum loan amount.** The maximum loan amount shall be equal to 75 percent of the remote recreational business's gross annual receipts for fiscal ~~year~~ years 2020 and 2021, not to exceed \$500,000 per eligible remote recreational business.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022.

Sec. 20. Laws 2021, First Special Session chapter 10, article 2, section 24, subdivision 7, is amended to read:

Subd. 7. **Report to legislature.** By ~~January 15~~ April 30, 2023, Lake of the Woods County shall report to the legislative committees with jurisdiction over economic development policy and finance on the loans provided to remote recreational businesses under this section.

EFFECTIVE DATE. This section is effective retroactively from March 31, 2022."

Page 18, after line 4, insert:

"ARTICLE 8

LABOR APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to the appropriations in Laws 2021, First Special Session chapter 10, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. Appropriations for the fiscal year ending June 30, 2022, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>
Sec. 2. <u>DEPARTMENT OF LABOR AND INDUSTRY</u>		
Subdivision 1. <u>Total Appropriation</u>	\$	<u>-0-</u> \$ <u>25,000</u>
<u>Appropriations by Fund</u>		
<u>2022</u>		<u>2023</u>
General	<u>-0-</u>	<u>25,000</u>
Subd. 2. <u>Workforce Development Initiatives</u>		<u>-0-</u> <u>25,000</u>

\$25,000 in fiscal year 2023 is for youth skills training grants under Minnesota Statutes, section 175.46. This is a onetime appropriation.

ARTICLE 9

LABOR AND INDUSTRY POLICY AND TECHNICAL

Section 1. Minnesota Statutes 2020, section 326B.106, subdivision 4, is amended to read:

Subd. 4. **Special requirements.** (a) **Space for commuter vans.** The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) **Smoke detection devices.** The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) **Doors in nursing homes and hospitals.** The State Building Code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) **Child care facilities in churches; ground level exit.** A licensed day care center serving fewer than 30 preschool age persons and which is located in a belowground space in a church building is exempt from the State Building Code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) **Family and group family day care.** Until the legislature enacts legislation specifying appropriate standards, the definition of dwellings constructed in accordance with the International Residential Code as adopted as part of the State Building Code applies to family and group family day care homes licensed by the Department of Human Services under Minnesota Rules, chapter 9502.

(f) **Enclosed stairways.** No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) **Double cylinder dead bolt locks.** No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(h) **Relocated residential buildings.** A residential building relocated within or into a political subdivision of the state need not comply with the State Energy Code or section 326B.439 provided that, where available, an energy audit is conducted on the relocated building.

(i) **Automatic garage door opening systems.** The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(j) **Exterior wood decks, patios, and balconies.** The code must permit the decking surface and upper portions of exterior wood decks, patios, and balconies to be constructed of (1) heartwood from species of wood having natural resistance to decay or termites, including redwood and cedars, (2) grades of lumber which contain sapwood from species of wood having natural resistance to decay or termites, including redwood and cedars, or (3) treated wood. The species and grades of wood products used to construct the decking surface and upper portions of exterior decks, patios, and balconies must be made available to the building official on request before final construction approval.

(k) **Bioprocess piping and equipment.** No permit fee for bioprocess piping may be imposed by municipalities under the State Building Code, except as required under section 326B.92 subdivision 1. Permits for bioprocess piping shall be according to section 326B.92 administered by the Department of Labor and Industry. All data regarding the material production processes, including the bioprocess system's structural design and layout, are nonpublic data as provided by section 13.7911.

(l) **Use of ungraded lumber.** The code must allow the use of ungraded lumber in geographic areas of the state where the code did not generally apply as of April 1, 2008, to the same extent that ungraded lumber could be used in that area before April 1, 2008.

~~(m) **Window cleaning safety.** The code must require the installation of dedicated anchorages for the purpose of suspended window cleaning on (1) new buildings four stories or greater; and (2) buildings four stories or greater, only on those areas undergoing reconstruction, alteration, or repair that includes the exposure of primary structural components of the roof~~ The code shall incorporate by reference nationally recognized safety standards for window cleaning developed by the International Window Cleaning Association (IWCA) and approved by the American National Standards Institute (ANSI). Such standards shall require that window cleaning safety features be provided for all windows on:

(1) new buildings where determined by the standard; and

(2) existing buildings undergoing alterations where both of the following conditions are met:

(i) the windows do not currently have safe window cleaning features; and

(ii) the proposed work area being altered can include provisions for safe window cleaning.

~~The commissioner may waive all or a portion of the requirements of this paragraph related to reconstruction, alteration, or repair, if the installation of dedicated anchorages would not result in significant safety improvements due to limits on the size of the project, or other factors as determined by the commissioner.~~

Sec. 2. Minnesota Statutes 2021 Supplement, section 326B.153, subdivision 1, is amended to read:

Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section 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. This section is effective retroactively from October 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 326B.163, subdivision 5, is amended to read:

Subd. 5. **Elevator.** As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, hand-powered elevators, endless belt lifts, and ~~wheelchair~~ platform lifts. Elevator does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings.

Sec. 4. Minnesota Statutes 2020, section 326B.163, is amended by adding a subdivision to read:

Subd. 5a. Platform lift. As used in this chapter, "platform lift" means a powered hoisting and lowering device designed to transport mobility-impaired persons on a guided platform.

Sec. 5. Minnesota Statutes 2020, section 326B.164, subdivision 13, is amended to read:

Subd. 13. **Exemption from licensing.** (a) Employees of a licensed elevator contractor or licensed limited elevator contractor are not required to hold or obtain a license under this section or be provided with direct supervision by a licensed master elevator constructor, licensed limited master elevator constructor, licensed elevator constructor, or licensed limited elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts. Unlicensed employees performing elevator work under this exemption must comply with subdivision 5. This exemption does not include the installation, maintenance, repair, or replacement of electrical wiring for elevator equipment.

(b) Contractors or individuals shall not be required to hold or obtain a license under this section when performing work on:

- (1) conveyors, including vertical reciprocating conveyors;
- (2) platform lifts not covered under section 326B.163, subdivision 5a; or
- (3) dock levelers.

Sec. 6. Minnesota Statutes 2020, section 326B.36, subdivision 7, is amended to read:

Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, load control, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section 326B.164, is required to obtain a permit from the authority having jurisdiction as provided by section 326B.184, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 7. Minnesota Statutes 2020, section 326B.36, is amended by adding a subdivision to read:

Subd. 8. **Electric utility exemptions; additional requirements.** For exemptions to inspections exclusively for load control allowed for electrical utilities under subdivision 7, clause (2), item (i), the following requirements apply:

(1) the exempted work must be conducted by a Class A electrical contractor. If a deficiency or code violation is found when conducting such work, the electrical contractor or other designee must report the deficiency or code violation to the electric utility; and

(2) the electric utility must, within ten calendar days of discovering the need for repair, inform the owner:

(i) of the location of the materials or equipment that need repair;

(ii) that a permit is required for the work; and

(iii) of a time frame for the repair to be complete, not to exceed six months, after which time the utility must disconnect the materials or equipment.

Sec. 8. Minnesota Statutes 2020, section 326B.42, subdivision 1b, is amended to read:

Subd. 1b. **Backflow prevention rebuilder.** (a) A "backflow prevention rebuilder" is an individual who is qualified by training prescribed by the Plumbing Board and possesses a master or journeyworker plumber's license to engage in the testing, maintenance, and rebuilding of ~~reduced pressure zone type~~ backflow prevention assemblies as regulated by the Plumbing Code.

(b) For the purposes of this section and section 326B.437, a backflow prevention rebuilder who is qualified by training prescribed by the Plumbing Board and engages in rebuilding of backflow prevention assemblies limited to systems used to apply water to soil and plant materials or provide water to landscape features is exempt from the licensing requirements of paragraph (a). Nothing in this paragraph allows an employee or delegate of the backflow prevention rebuilder or tester to engage in the testing, maintenance, and rebuilding of backflow prevention assemblies as regulated by the Plumbing Code, unless the employee or delegate has the requisite backflow prevention tester or rebuilder training prescribed by the Plumbing Board.

Sec. 9. Minnesota Statutes 2020, section 326B.42, subdivision 1c, is amended to read:

Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual who is qualified by training prescribed by the Plumbing Board to engage in the testing of ~~reduced-pressure zone-type~~ backflow prevention assemblies as regulated by the Plumbing Code.

Sec. 10. Minnesota Statutes 2020, section 326B.437, is amended to read:

326B.437 REDUCED-PRESSURE BACKFLOW PREVENTION REBUILDERS AND TESTERS.

(a) No person shall perform or offer to perform the installation, ~~maintenance, repair, or replacement, or rebuilding of reduced-pressure zone~~ of backflow prevention assemblies unless the person obtains a plumbing contractor's license. An individual shall not engage in the testing, maintenance, ~~repair,~~ or rebuilding of ~~reduced-pressure zone~~ backflow prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified by the commissioner as a backflow prevention rebuilder.

(b) An individual shall not engage in testing of a ~~reduced-pressure zone~~ backflow prevention assembly, as regulated by the Plumbing Code, unless the individual possesses a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow prevention tester.

(c) Certificates are issued for an initial period of two years and must be renewed every two years thereafter for as long as the certificate holder ~~installs,~~ maintains, ~~repairs,~~ rebuilds, or tests ~~reduced pressure zone~~ backflow prevention assemblies. For purposes of calculating fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester certificate shall be considered an entry level license.

~~(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related to the certification of backflow prevention rebuilders and backflow prevention testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month limitation under section 14.125, this authority expires on December 31, 2014.~~

~~(e) The department shall recognize certification programs that are a minimum of 16 contact hours and include the passage of an examination. The examination must consist of a practical and a written component. This paragraph expires when the Plumbing Board adopts rules under paragraph (d).~~

Sec. 11. Minnesota Statutes 2020, section 326B.46, subdivision 2, is amended to read:

Subd. 2. **Bond; insurance.** (a) The bond and insurance requirements of paragraphs (b) and (c) apply to each person who performs or offers to perform plumbing work within the state, including any person who offers to perform or performs sewer or water service installation or backflow prevention testing or rebuilding as described under subdivision 1b, paragraph (b), without a contractor's license. If the person performs or offers to perform any plumbing work other than sewer or water service installation or backflow prevention testing or rebuilding as described under subdivision 1b, paragraph (b), then the person must meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's license.

(b) Each person who performs or offers to perform plumbing work within the state shall give and maintain bond to the state in the penal sum of at least \$25,000 for (1) all plumbing work entered

into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. The bond must comply with section 326B.0921. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e).

(c) Each person who performs or offers to perform plumbing work within the state shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota. Each person who performs or offers to perform plumbing work within the state shall maintain on file with the commissioner a certificate evidencing the insurance. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Sec. 12. Laws 2021, First Special Session chapter 10, article 3, section 14, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a) No individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyworker plumber, and restricted journeyworker plumber unless licensed to do so by the commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner. A license is not required for individuals servicing or installing a commercial chemical dispensing system or servicing or replacing a commercial dishwashing machine, including connecting a commercial chemical dispensing system or commercial dishwashing machine to a water line or drain line, provided that:

(1) the individual servicing or installing the commercial chemical dispensing system or servicing or replacing the commercial dishwashing machine is an employee of the manufacturer or distributor of the commercial chemical dispensing system or commercial dishwashing machine;

(2) the individual servicing or installing the commercial chemical dispensing system or servicing or replacing the commercial dishwashing machine has a minimum of 25 hours of classroom or laboratory training, a minimum of 20 hours of in-field training with a qualified technician on the types of systems being installed, followed by a minimum of 100 hours of supervised field experience. The training and experience curriculum required under this clause must be approved by the commissioner, in consultation with the manufacturer or distributor, but the commissioner shall not require training or experience hours in excess of the amounts specified in this clause;

(3) the manufacturer or distributor of the commercial chemical dispensing system or commercial dishwashing machine must meet the insurance requirements of section 326B.46, subdivision 2, paragraph (c);

(4) the connection is a push fit fitting, compression fitting, or threaded pipe fitting to an existing water line or drain, which has been initially installed by a licensed plumber; and

(5) the commercial chemical dispensing system complies with ASSE 1055 or contains code-approved integral backflow protection.

A license is not required for individuals performing backflow prevention rebuilding as described under subdivision 1b, paragraph (b), provided that the individual: (1) has completed backflow prevention rebuilder training as prescribed by the Plumbing Board; and (2) has obtained a nationally recognized third-party accredited professional irrigation certification and any such professional certifications have been approved by the commissioner.

A master plumber may also work as a journeyworker plumber, a restricted journeyworker plumber, and a restricted master plumber. A journeyworker plumber may also work as a restricted journeyworker plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person.

(c) Except as provided in subdivision 1a, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyworker, restricted master, or restricted journeyworker license.

Sec. 13. **LAWS CHAPTER 32 EFFECTIVE DATE.**

Notwithstanding any other law to the contrary, Laws 2022, chapter 32, articles 1 and 2, sections 1 to 12, are effective the day following final enactment, and Laws 2022, chapter 32, article 1, section 1, applies to appointments made on or after that date."

Renumber the articles and sections in sequence

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 4025 and 4091 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2746 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Senjem introduced--

S.F. No. 4490: A bill for an act relating to state lands; providing for private sale of certain state land to Olmsted County; appropriating money.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senator Kunesh introduced--

S.F. No. 4491: A bill for an act relating to court fees; exempting the Office of Ombudsperson for American Indian Families from court fee requirements; amending Minnesota Statutes 2021 Supplement, section 357.021, subdivision 1a.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Kunesh introduced--

S.F. No. 4492: A bill for an act relating to public safety; appropriating money for a hub center to address opioid-related issues among Native American youth and young adults and other youth and young adults of color.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senator Pratt introduced--

S.F. No. 4493: A bill for an act relating to capital investment; appropriating money for Phase 1 of the Merriam Junction riverbank stabilization project in Scott County; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Osmek introduced--

S.F. No. 4494: A bill for an act relating to public safety; permitting civil action for damages against a charitable bail organization; requiring forfeiture of bail in certain instances; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary and Public Safety Finance and Policy.

Senators Westrom, Lang, Draheim, Dornink, and Weber introduced--

S.F. No. 4495: A bill for an act relating to agriculture; appropriating money for livestock processing facilities grants; amending Laws 2021, First Special Session chapter 3, article 1, section 2, subdivisions 1, 4.

Referred to the Committee on Agriculture and Rural Development Finance and Policy.

Senator Housley introduced--

S.F. No. 4496: A bill for an act relating to economic development; establishing an accessibility for the arts and cultural economy grant program; requiring a report; appropriating money.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Kunesh introduced--

S.F. No. 4497: A bill for an act relating to capital investment; appropriating money for relocation costs and renovations at a new facility for CornerHouse.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senators Abeler, Hoffman, and Newton introduced--

S.F. No. 4498: A bill for an act relating to liquor; authorizing the city of Anoka to issue a social district license.

Referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Senators Hoffman, Abeler, and Newton introduced--

S.F. No. 4499: A bill for an act relating to natural resources; requiring rulemaking to restrict wake surfing on Mississippi River in Hennepin and Anoka Counties.

Referred to the Committee on Environment and Natural Resources Policy and Legacy Finance.

Senators Bigham, Koran, López Franzen, Dziedzic, and McEwen introduced--

S.F. No. 4500: A bill for an act relating to state government; establishing the Office of Cannabis Derivatives; transferring the regulation and implementation of the medical cannabis program to the Office of Cannabis Derivatives; transferring the regulation of industrial hemp to the Office of Cannabis Derivatives; requiring the Office of Cannabis Derivatives to regulate all hemp and hemp-derivative products; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 18K.01; 18K.02; 18K.03; 18K.04; 18K.05; 18K.06; 18K.07; 18K.08; 18K.09; 151.72, subdivisions 1, 2, 3, 4, 6; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 7, 8, 9, 10, 12, 13, 14; 152.24; 152.25; 152.27, subdivisions 1, 5, 6, 7; 152.28, subdivisions 2, 3; 152.29, subdivisions 2, 3a, 4; 152.30; 152.32; 152.33; 152.34; 152.35; 152.36; 152.37; Minnesota Statutes 2021 Supplement, sections 151.72, subdivision 5; 152.22, subdivisions 5c, 6, 11; 152.23; 152.26; 152.27, subdivisions 2, 3, 4; 152.28, subdivision 1; 152.29, subdivisions 1, 3, 3b, 3c; 152.31.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Lang introduced--

S.F. No. 4501: A bill for an act relating to capital investment; appropriating money for replacement of water infrastructure and street reconstruction in the city of Lake Lillian; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Housley and Draheim introduced--

S.F. No. 4502: A bill for an act relating to agriculture; requiring rulemaking for dogs in retail food establishments.

Referred to the Committee on Agriculture and Rural Development Finance and Policy.

Senator Kunesh introduced--

S.F. No. 4503: A bill for an act relating to human services; adding cultural practitioners to providers of chemical dependency services; requiring Minnesota's Tribal nations to be informed of changes in law; amending Minnesota Statutes 2020, sections 245G.07, subdivision 2; 245G.11, subdivision 5, by adding a subdivision; 256.01, by adding subdivisions; Minnesota Statutes 2021 Supplement, section 254B.05, subdivision 5.

Referred to the Committee on Human Services Licensing Policy.

Senator Ingebrigtsen introduced--

S.F. No. 4504: A bill for an act relating to environment; appropriating money to monitor PFAS in wastewater.

Referred to the Committee on Environment and Natural Resources Finance.

Senator Pratt introduced--

S.F. No. 4505: A bill for an act relating to elections; requiring certain duties related to ballot reconciliation and postelection review to be completed before a canvassing board may certify its report on the results of an election; amending Minnesota Statutes 2020, section 204C.31, subdivision 3.

Referred to the Committee on State Government Finance and Policy and Elections.

Senator Pratt introduced--

S.F. No. 4506: A bill for an act relating to workforce development; appropriating money for workforce development; amending Laws 2021, First Special Session chapter 10, article 1, section 2, subdivision 3.

Referred to the Committee on Jobs and Economic Growth Finance and Policy.

Senator Rarick introduced--

S.F. No. 4507: A bill for an act relating to capital investment; appropriating money for high water mitigation measures for Mora Lake; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Rarick introduced--

S.F. No. 4508: A bill for an act relating to higher education; requesting the Board of Regents establish a special commission to review intercollegiate athletics.

Referred to the Committee on State Government Finance and Policy and Elections.

MOTIONS AND RESOLUTIONS

Senator Kunesh moved that the name of Senator Marty be added as a co-author to S.F. No. 1966. The motion prevailed.

Senator Kunesh moved that the names of Senators Rest and Klein be added as co-authors to S.F. No. 2136. The motion prevailed.

Senator Abeler moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 2348. The motion prevailed.

Senator Senjem moved that the name of Senator Latz be added as a co-author to S.F. No. 3395. The motion prevailed.

Senator Bakk moved that the name of Senator Senjem be added as a co-author to S.F. No. 3576. The motion prevailed.

Senator Senjem moved that the name of Senator Abeler be added as a co-author to S.F. No. 3710. The motion prevailed.

Senator Housley moved that the name of Senator Abeler be added as a co-author to S.F. No. 3931. The motion prevailed.

Senator Port moved that the names of Senators Klein, Dziejdzic, and Rest be added as co-authors to S.F. No. 3970. The motion prevailed.

Senator Kiffmeyer moved that the name of Senator Lang be added as a co-author to S.F. No. 3975. The motion prevailed.

Senator Koran moved that the name of Senator Dornink be added as a co-author to S.F. No. 4387. The motion prevailed.

Senator Champion moved that the name of Senator Dziejdzic be added as a co-author to S.F. No. 4454. The motion prevailed.

Senator Dibble moved that the name of Senator Fateh be added as a co-author to S.F. No. 4477. The motion prevailed.

Senator Dibble moved that the name of Senator Dziejcz be added as a co-author to S.F. No. 4480. The motion prevailed.

Senator Senjem moved that the name of Senator Newton be added as a co-author to S.F. No. 4481. The motion prevailed.

Senator Senjem moved that the name of Senator Newton be added as a co-author to S.F. No. 4482. The motion prevailed.

Senator Rest moved that the names of Senators Johnson Stewart, Champion, Hoffman, and Eaton be added as co-authors to S.F. No. 4488. The motion prevailed.

Senator Pratt moved that the name of Senator Benson be added as a co-author to S.F. No. 4489. The motion prevailed.

Senator Nelson moved that S.F. No. 980 be withdrawn from the Committee on Health and Human Services Finance and Policy and re-referred to the Committee on State Government Finance and Policy and Elections. The motion did not prevail.

Senator Utke moved that S.F. No. 3636 be withdrawn from the Committee on Finance and re-referred to the Committee on State Government Finance and Policy and Elections. The motion prevailed.

Senators Miller and Pappas introduced --

Senate Resolution No. 123: A Senate resolution recognizing the celebration of Education & Sharing Day, Minnesota.

Referred to the Committee on Rules and Administration.

Senators Nelson and Dornink introduced --

Senate Resolution No. 124: A Senate resolution congratulating the Hayfield High School boys basketball team on winning the 2022 State High School Class A boys basketball championship.

Referred to the Committee on Rules and Administration.

Senators Pratt and Hawj introduced --

Senate Resolution No. 125: A Senate resolution honoring Pengsan Ou for his many years of notable service to the Cambodian community in Minnesota.

Referred to the Committee on Rules and Administration.

ADJOURNMENT

Senator Miller moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 21, 2022. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate