ARTICLE 1

ECONOMIC DEVELOPMENT

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2015, First Special Session chapter 1, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figure "2017" used in this article means that the appropriations listed under it are available for the fiscal year ending June 30, 2017.

		APPROPRIATIONS Available for the Year Ending June 30	
		2016	**2017**
Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**			
Subdivision 1. **Total Appropriation**	**$**	**-0-**	**$ 33,945,000**
Appropriations by Fund			
General	-0-	33,445,000	
Workforce Development	-0-	500,000	
The amounts that may be spent for each purpose are specified in the following subdivisions.			
Subd. 2. **Business and Community Development**		-0-	30,595,000

$2,000,000 in fiscal year 2017 is for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation.

$1,220,000 in fiscal year 2017 is for a grant to the Duluth North Shore Sanitary District to retire debt of the district in order to bring the district's monthly wastewater rates in line with those of similarly situated

facilities across the state. This is a onetime appropriation.

$275,000 in fiscal year 2017 is for a grant to the Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. This is a onetime appropriation and is available until June 30, 2019.

$300,000 in fiscal year 2017 is for expansion of business assistance services provided by business development specialists located in the Northwest Region, Northeast Region, West Central Region, Southwest Region, Southeast Region, and Twin Cites Metro Region offices established throughout the state. Funds under this section may be used to provide services including, but not limited to, business start-ups; expansion; location or relocation; finance; regulatory and permitting assistance; and other services determined by the commissioner. The commissioner may also use funds under this section to increase the number of business development specialists in each region of the state, increase and expand the services provided through each regional office, and publicize the services available and provide outreach to communities in each region regarding services and assistance available through the business development specialist program. This is a onetime appropriation.

$50,000 in fiscal year 2017 is to enhance the outreach and public awareness activities

of the Bureau of Small Business under Minnesota Statutes, section 116J.68. This is a onetime appropriation.

$750,000 in fiscal year 2017 is for a grant to Enterprise Minnesota, Inc. Of this amount, $375,000 is for the small business growth acceleration program under Minnesota Statutes, section 116O.115, and $375,000 is for operations under Minnesota Statutes, sections 116O.01 to 116O.061. This is a onetime appropriation.

$2,000,000 in fiscal year 2017 is for the Minnesota Initiative program under Minnesota Statutes, section 116M.18. Of this amount, up to five percent is for administration, outreach, and monitoring of the program. This is a onetime appropriation.

$500,000 in fiscal year 2017 is for making capacity building grants under Minnesota Statutes, section 116M.18, subdivision 9. This is a onetime appropriation.

$3,500,000 in fiscal year 2017 is for grants to initiative foundations to provide financing for business startups, expansions, and maintenance; and for business ownership transition and succession. This is a onetime appropriation. Of the amount appropriated:

(1) $500,000 is for a grant to the Southwest Initiative Foundation;

(2) $500,000 is for a grant to the West Central Initiative Foundation;

(3) $500,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) $500,000 is for a grant to the Northwest Minnesota Foundation;

(5) $500,000 is for a grant to the Initiative Foundation;

(6) $500,000 is for a grant to the Northland Foundation; and

(7) $500,000 is for a grant to the Minnesota Initiative Board under Minnesota Statutes, chapter 116M. Funds available under this clause must be allocated as follows:

(i) 50 percent of the funds must be allocated for projects in the counties of Dakota, Ramsey, and Washington; and

(ii) 50 percent of the funds must be allocated for projects in the counties of Anoka, Carver, Hennepin, and Scott.

$600,000 in fiscal year 2017 is for a grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce for economic development, redevelopment, and job creation programs and projects. This is a onetime appropriation and is available until June 30, 2019.

$5,500,000 in fiscal year 2017 is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is in addition to the appropriation in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 2. This is a onetime appropriation. Of this amount, $250,000 is for grants to Hmong-American filmmakers that have directed or produced

prior feature-length stories to produce projects within Minnesota.

$150,000 in fiscal year 2017 is for a grant to the city of Edina to conduct a feasibility study of constructing Grandview Green over Highway 100 in Edina. This is a onetime appropriation.

$10,000,000 in fiscal year 2017 is for deposit in the Minnesota 21st century fund. This is a onetime appropriation.

$400,000 in fiscal year 2017 is for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this section may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation.

$3,100,000 in fiscal year 2017 is for a transfer to the Board of Regents of the University of Minnesota for academic and applied research through MnDRIVE at the Natural Resources Research Institute to develop new technologies that enhance the long-term viability of the Minnesota mining industry. The research must be done in consultation with the Mineral Coordinating Committee established by Minnesota Statutes, section 93.0015.

$250,000 in fiscal year 2017 is for a grant to the city of Kelliher for water infrastructure upgrades. This is a onetime appropriation and is available until June 30, 2019.

Subd. 3. **Workforce Development** -0- 1,800,000

Appropriations by Fund

	2016	2017
General	-0-	1,300,000
Workforce Development	-0-	500,000

$100,000 in fiscal year 2017 is for a grant to Ramsey County for a study of the workforce-based mass transit needs of the north metro area. Ramsey County may work in collaboration with officials in other counties including, but not limited to, Anoka and Washington Counties in producing the study. By December 1, 2017, Ramsey County must submit the report to the commissioner. By January 1, 2018, the commissioner must report to the chairs of the standing committees of the legislature having jurisdiction over workforce development and transportation. This is a onetime appropriation and is available until June 30, 2018.

$500,000 in fiscal year 2017 is from the workforce development fund for rural career counseling coordinators in the workforce service areas and for the purposes specified in Minnesota Statutes, section 116L.667. This appropriation is for increases to existing applicants who were awarded grants in fiscal years 2016 and 2017.

$500,000 in fiscal year 2017 is for a grant to Occupational Development Corporation, Inc.

in the city of Buhl to provide training and employment opportunities for people with disabilities and disadvantaged workers. This is a onetime appropriation.

$400,000 in fiscal year 2017 is for a grant to Northern Bedrock Historic Preservation Corps for the pathway to the preservation trades program for recruitment of corps members, engagement of technical specialists, development of a certificate program, and skill development in historic preservation for youth ages 18 to 25. This is a onetime appropriation.

$300,000 in fiscal year 2017 is for the "Getting to Work" grant program. This is a onetime appropriation and is available until June 30, 2019.

Subd. 4. **Vocational rehabilitation**	-0-	1,550,000

$800,000 in fiscal year 2017 is for grants to centers for independent living under Minnesota Statutes, section 268A.11. This is a onetime appropriation and is in addition to the appropriation in Laws 2015, First Special Session chapter 1, article 1, section 2, subdivision 6.

$750,000 in fiscal year 2017 is for grants to day training and habilitation providers to provide innovative employment options and to advance community integration for persons with disabilities as required under the Minnesota Olmstead Plan. Of this amount, $250,000 is for a pilot program for home-based, technology-enhanced monitoring of persons with disabilities. This

is a onetime appropriation and is available until June 30, 2018.

Sec. 3. **DEPARTMENT OF LABOR AND INDUSTRY** **$** **-0-** **$** **350,000**

$250,000 in fiscal year 2017 is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178. This amount is added to the base appropriation for this purpose.

$100,000 in fiscal year 2017 is to provide outreach and education concerning requirements under state or federal law governing removal of architectural barriers that limit access to public accommodations by persons with disabilities and resources that are available to comply with those requirements. This is a onetime appropriation.

Sec. 4. **EXPLORE MINNESOTA TOURISM** **$** **-0-** **$** **1,250,000**

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

$950,000 in fiscal year 2017 is to establish a pilot project to assist in funding and securing major events benefiting communities throughout the state. The pilot project must measure the economic impact of visitors on state and local economies, increased lodging and nonlodging sales taxes in addition to visitor spending, and increased media awareness of the state as an event destination. This is a onetime appropriation. Of this

amount, $100,000 is for a grant to the St. Louis County Historical Society for a project, in collaboration with the Erie Mining history book project team, to research, document, publish, preserve, and exhibit the history of taconite mining in Minnesota.

Sec. 5. **PUBLIC EMPLOYMENT RELATIONS BOARD**	**$**	**-0-**	**$ 525,000**

$525,000 in fiscal year 2017 is for the Public Employment Relations Board under Minnesota Statutes, section 179A.041. The base appropriation for this purpose is $525,000 in fiscal year 2018 and $525,000 in fiscal year 2019.

Sec. 6. **HOUSING FINANCE AGENCY**	**$**	**-0-**	**$ 2,500,000**

$1,000,000 in fiscal year 2017 is to establish a grant program within the housing trust fund for the exploited families rental assistance program. This is a onetime appropriation and is available until June 30, 2019.

$500,000 in fiscal year 2017 is for a competitive grant program to fund a housing project or projects in a community or communities: (1) that have low housing vacancy rates; and (2) that have an education and training center for jobs in agriculture, farm business management, health care fields, or other fields with anticipated significant job growth potential. A grant or grants must be no more than 50 percent of the total development costs for the project. Funds for a grant or grants made in this section must be to a housing project or projects that have financial and in-kind

contributions from nonagency sources that when combined with a grant under this section are sufficient to complete the housing project. Funds must be used to create new housing units either through new construction or through acquisition and rehabilitation of a building or buildings not currently used for housing. If funds remain uncommitted at the end of fiscal year 2017, the agency may transfer the uncommitted funds to the housing development fund and use the funds for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. This is a onetime appropriation.

$1,000,000 in fiscal year 2017 is for the Workforce and Affordable Homeownership Development Program under Minnesota Statutes, section 462A.38. This is a onetime appropriation and is available until June 30, 2019.

Sec. 7. **COMMERCE**	**$**	**-0-**	**$ 1,006,000**

$500,000 in fiscal year 2017 is for increased civil insurance fraud investigation. This is a onetime appropriation.

$290,000 in fiscal year 2017 is to fund two positions to return abandoned property to owners, newspaper publication, and related technology upgrades under Minnesota Statutes, section 345.42. This is a onetime appropriation.

$66,000 in fiscal year 2017 is for the commissioner of commerce to seek any necessary federal approvals to modify the

boundaries of and reduce the number of the state's designated geographic rating areas for purposes of setting health plan premiums in the individual health insurance market. This is a onetime appropriation.

$150,000 in fiscal year 2017 is for the commissioner of commerce to:

(1) study and create models of potential Minnesota-tailored rate-stability mechanisms for the individual marketplace, such as a reinsurance program;

(2) study and create models merging the state's individual and small group markets; and

(3) study options for making the state's rate review process more transparent utilizing public information and hearings.

The commissioner may seek other private funds or grants to supplement the costs of the studies. The commissioner shall issue a report on the preliminary findings of the studies to the chairs and ranking minority members of the committees in the house of representatives and the senate with jurisdiction over health and marketplace premiums by January 15, 2017.

Sec. 8. Laws 2015, First Special Session chapter 1, article 1, section 4, is amended to read:

Sec. 4. **EXPLORE MINNESOTA TOURISM $ 14,118,000 $ 14,248,000**

(a) To develop maximum private sector involvement in tourism, $500,000 in fiscal year 2016 and $500,000 in fiscal year 2017 must be matched by Explore Minnesota

Tourism from nonstate sources. Each $1 of state incentive must be matched with $6 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2016 shall be based on fiscal year 2015 private sector contributions. The incentive in fiscal year 2017 shall be based on fiscal year 2016 private sector contributions. This incentive is ongoing. Of this amount, $100,000 is for a grant to the Northern Lights International Music festival.

(b) Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

(c) $30,000 in fiscal year 2016 is for Mille Lacs Lake tourism promotion. This is a onetime appropriation.

Sec. 9. Laws 2015, First Special Session chapter 1, article 1, section 6, is amended to read:

Sec. 6. **BUREAU OF MEDIATION SERVICES**	**$ 2,208,000**	**$ ~~2,234,000~~ 2,497,000**

(a) $68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) $125,000 ~~each year~~ in fiscal year 2016 is for purposes of the Public Employment

Relations Board under Minnesota Statutes, section 179A.041. This is a onetime appropriation.

(c) $256,000 ~~each year is~~ in fiscal year 2016 and $394,000 in fiscal year 2017 are for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90. The base appropriation for this purpose is $394,000 in fiscal year 2018 and $394,000 in fiscal year 2019. Of this amount, $160,000 each year is for grants under Minnesota Statutes, section 179.91, and $96,000 each year is for intergovernmental and public policy collaboration and operation of the office.

(d) $250,000 is to complete the Case Management System-Database Project Phase II. This is a onetime appropriation.

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

Sec. 10. Minnesota Statutes 2014, section 13.43, subdivision 6, is amended to read:

Subd. 6. **Access by labor organizations, the Bureau of Mediation Services, and the Public Employment Relations Board.** Personnel data may be disseminated to labor organizations and the Public Employment Relations Board to the extent that the responsible authority determines that the dissemination is necessary to conduct elections, notify employees of fair share fee assessments, and implement the provisions of chapters 179 and 179A. Personnel data shall be disseminated to labor organizations, the Public Employment Relations Board, and to the Bureau of Mediation Services to the extent the dissemination is ordered or authorized by the commissioner of the Bureau of Mediation Services, or the Public Employment Relations Board or its designee.

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

Sec. 11. **[13.7909] PUBLIC EMPLOYMENT RELATIONS BOARD DATA.**

Subdivision 1. **Definition.** For purposes of this section, "board" means the Public Employment Relations Board.

Subd. 2. **Not public data.** (a) Except as provided in this subdivision, all data maintained by the board about a charge or complaint of unfair labor practices and appeals of determinations of the commissioner under section 179A.12, subdivision 11, are classified as protected nonpublic data or confidential data, and become public when admitted into evidence at a hearing conducted pursuant to section 179A.13. The data may be subject to a protective order as determined by the board or a hearing officer.

(b) Notwithstanding sections 13.43 and 181.932, the following data are public:

(1) the filing date of unfair labor practice charges;

(2) the status of unfair labor practice charges as an original or amended charge;

(3) the names and job classifications of charging parties and charged parties;

(4) the provisions of law alleged to have been violated in unfair labor practice charges;

(5) the complaint issued by the board and all data in the complaint;

(6) the full and complete record of an evidentiary hearing before a hearing officer, including the hearing transcript, exhibits admitted into evidence, and posthearing briefs, unless subject to a protective order;

(7) recommended decisions and orders of hearing officers pursuant to section 179A.13, subdivision 1, paragraph (i);

(8) exceptions to the hearing officer's recommended decision and order filed with the board pursuant to section 179A.13, subdivision 1, paragraph (k);

(9) briefs filed with the board; and

(10) decisions and orders issued by the board.

(c) Notwithstanding paragraph (a), individuals have access to their own statements provided to the board under paragraph (a).

(d) The board may make any data classified as protected nonpublic or confidential pursuant to this subdivision accessible to any person or party if the access will aid the implementation of chapters 179 and 179A or ensure due process protection of the parties.

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

Sec. 12. Minnesota Statutes 2014, section 116J.423, is amended to read:

116J.423 MINNESOTA ~~MINERALS~~ 21ST CENTURY FUND.

Subdivision 1. **Created.** The Minnesota ~~minerals~~ 21st century fund is created as a separate account in the treasury. Money in the account is appropriated to the commissioner of employment and economic development for the purposes of this section. All money earned by the account, loan repayments of principal and interest, and earnings on investments must be credited to the account. For the purpose of this section, "fund"

means the Minnesota ~~minerals~~ 21st century fund. The commissioner shall operate the account as a revolving account.

Subd. 2. **Use of fund.** The commissioner shall use money in the fund to make loans or equity investments in mineral, steel, or ~~taconite~~ any other industry processing ~~facilities~~, ~~steel~~ production ~~facilities~~, ~~facilities for the manufacturing of renewable energy products, or facilities for the manufacturing of biobased or biomass products,~~ manufacturing, or technology project that would enhance the economic diversification and that ~~are~~ is located within the taconite relief tax area as defined under section 273.134. The commissioner must, prior to making any loans or equity investments and after consultation with industry and public officials, develop a strategy for making loans and equity investments that assists the ~~Minnesota mineral industry in becoming globally competitive~~ taconite relief area in retaining and enhancing its economic competitiveness. Money in the fund may also be used to pay for the costs of carrying out the commissioner's due diligence duties under this section.

Subd. 2a. **Grants authorized.** Notwithstanding subdivision 2, the commissioner may use money in the fund to make grants to a municipality or county, or to a county regional rail authority as appropriate, for public infrastructure needed to support an eligible project under this section. Grant money may be used by the municipality, county, or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to predesign, design, construct, and equip roads and rail lines; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. Grants made under this subdivision are available until expended.

Subd. 3. **Requirements prior to committing funds.** The commissioner, prior to making a commitment for a loan or equity investment must, at a minimum, conduct due diligence research regarding the proposed loan or equity investment, including contracting with professionals as needed to assist in the due diligence.

Subd. 4. **Requirements for fund disbursements.** The commissioner may make conditional commitments for loans or equity investments but disbursements of funds pursuant to a commitment may not be made until commitments for the remainder of a project's funding are made that are satisfactory to the commissioner and disbursements made from the other commitments sufficient to protect the interests of the state in its loan or investment.

Subd. 5. **Company contribution.** The commissioner may provide loans or equity investments that match, in a proportion determined by the commissioner, an investment made by the owner of a facility.

Sec. 13. Minnesota Statutes 2014, section 116J.424, is amended to read:

116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD CONTRIBUTION.

The commissioner of the Iron Range Resources and Rehabilitation Board with approval by the board, ~~shall~~ may provide an equal match for any loan or equity investment made for a ~~facility~~ project located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota ~~minerals~~ 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of employment and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

Sec. 14. Minnesota Statutes 2014, section 116J.68, is amended to read:

116J.68 BUREAU OF SMALL BUSINESS.

Subdivision 1. **Generally.** The Bureau of Small Business within the business assistance center shall serve as a clearinghouse, technical assistance center, and referral service for information and other assistance needed by small businesses including small targeted group businesses and small businesses located in an economically disadvantaged area.

Subd. 2. **Duties.** The bureau shall:

(1) provide information and assistance with respect to all aspects of business planning, business finance, and business management related to the start-up, operation, or expansion of a small business in Minnesota;

(2) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations;

(3) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

(4) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

(5) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

(6) maintain a close and continued relationship with the director of the procurement program within the Department of Administration so as to facilitate the department's duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted group business and economically disadvantaged business program of the state;

(7) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

(8) establish and maintain a toll-free telephone number, e-mail account, and other electronic contact mediums determined by the commissioner so that all small business persons anywhere in the state ~~can call~~ may contact the bureau office for assistance. An outreach program shall be established to make the existence of the bureau and the assistance and services the bureau may provide to small businesses well known to its potential clientele throughout the state. If the small business person requires a referral to another provider the bureau may use the business assistance referral system established by the Minnesota Project Outreach Corporation;

(9) conduct research and provide data as required by the state legislature;

(10) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

(11) collect and disseminate information on state procurement opportunities, including information on the procurement process;

(12) develop a public awareness program ~~through the use of~~ regarding state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons. The commissioner may utilize print and electronic newsletters, personal contacts, ~~and~~ advertising devices as defined in section 173.02, subdivision 16, social media, other electronic and print news media advertising ~~about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons~~, and any other means determined by the commissioner;

(13) enter into agreements with the federal government and other public and private entities to serve as the statewide coordinator or host agency for the federal small business development center program under United States Code, title 15, section 648; and

(14) assist providers in the evaluation of their programs and the assessment of their service area needs. The bureau may establish model evaluation techniques and performance standards for providers to use.

Sec. 15. Minnesota Statutes 2014, section 116M.14, subdivision 2, is amended to read:

Subd. 2. **Board.** "Board" means the ~~Urban~~ Minnesota Initiative Board.

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

Sec. 16. Minnesota Statutes 2014, section 116M.14, is amended by adding a subdivision to read:

Subd. 3a. **Department.** "Department" means the Department of Employment and Economic Development.

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

Sec. 17. Minnesota Statutes 2014, section 116M.14, subdivision 4, is amended to read:

Subd. 4. **Low-income area.** "Low-income area" means:

(1) Minneapolis, St. Paul;

~~(2) those cities in the metropolitan area as defined in section 473.121, subdivision 2, that have an average income that is below 80 percent of the median income for a four-person family as of the latest report by the United States Census Bureau;~~ and

~~(3)~~ (2) those cities ~~in the metropolitan area, which contain two or more contiguous census tracts~~ in which the average family income is less than 80 percent of the median family income for the Twin Cities metropolitan area as of the latest report by the United States Census Bureau.

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

Sec. 18. Minnesota Statutes 2014, section 116M.14, is amended by adding a subdivision to read:

Subd. 4a. **Low-income person.** "Low-income person" means a person who has an annual income, adjusted for family size, of not more than 80 percent of the area median family income for the Twin Cities metropolitan area as of the latest report by the United States Census Bureau.

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

Sec. 19. Minnesota Statutes 2014, section 116M.14, is amended by adding a subdivision to read:

Subd. 4b. **Metropolitan area.** "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

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

Sec. 20. Minnesota Statutes 2014, section 116M.14, is amended by adding a subdivision to read:

Subd. 6. **Minority person.** "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

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

Sec. 21. Minnesota Statutes 2014, section 116M.14, is amended by adding a subdivision to read:

Subd. 7. **Program.** "Program" means the Minnesota Initiative program created by this chapter.

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

Sec. 22. Minnesota Statutes 2014, section 116M.15, subdivision 1, is amended to read:

Subdivision 1. ~~**Creation; membership**~~ **Membership.** The ~~Urban~~ Minnesota Initiative Board is created and consists of the commissioner of employment and economic development, the chair of the Metropolitan Council, and ~~eight~~ 12 members from the general public appointed by the governor. ~~Six~~ Nine of the public members must be representatives from minority business enterprises. No more than ~~four~~ six of the public members may be of one gender. Appointments must ensure balanced geographic representation. At least half of the public members must have experience working to address racial income disparities. All public members must be experienced in business or economic development.

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

Sec. 23. Minnesota Statutes 2014, section 116M.17, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The ~~board through the~~ department~~,~~ shall provide technical assistance and ~~development information services to state agencies, regional agencies, special districts, local governments, and the public, with special emphasis on minority communities~~ informational outreach about the program to lenders, nonprofit

corporations, and low-income and minority communities throughout the state that support the development of business enterprises and entrepreneurs.

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

Sec. 24. Minnesota Statutes 2014, section 116M.17, subdivision 4, is amended to read:

Subd. 4. **Reports.** The board shall submit an annual report to the legislature of an accounting of loans made under section 116M.18, including information on loans ~~to minority business enterprises~~ made, the number of jobs created by the program, the impact on low-income areas, and recommendations concerning minority business development and jobs for persons in low-income areas.

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

Sec. 25. Minnesota Statutes 2014, section 116M.18, is amended to read:

116M.18 ~~URBAN CHALLENGE GRANTS~~ MINNESOTA INITIATIVE PROGRAM.

Subdivision 1. **Establishment.** The Minnesota Initiative program is established to award grants to nonprofit corporations to fund loans to businesses owned by minority or low-income persons or women or veterans.

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan area as in the nonmetropolitan area. If funds remain after the ninth month of the fiscal year, those funds shall revert to the general loan pool and may be lent in any part of the state.

~~Subdivision 1~~ Subd. 1b. ~~**Eligibility rules**~~ **Grants.** The board shall make ~~urban challenge~~ grants ~~for use in low-income areas~~ to nonprofit corporations to fund loans to businesses owned by minority or low-income persons or women or veterans to encourage private investment, to provide jobs for minority and low-income persons ~~and others in low-income areas~~, to create and strengthen minority business enterprises, and to promote economic development in a low-income area. ~~The board shall adopt rules to establish criteria for determining loan eligibility.~~

Subd. 2. ~~**Challenge**~~ **Grant eligibility; nonprofit corporation.** (a) The board may enter into agreements with nonprofit corporations to fund ~~and guarantee~~ loans the nonprofit corporation makes ~~in low-income areas under subdivision 4. A corporation must demonstrate that~~ to businesses owned by minority or low-income persons or women or veterans. The board shall evaluate applications from nonprofit corporations.

In evaluating applications, the board must consider, among other things, whether the nonprofit corporation:

(1) ~~its~~ has a board of directors that includes citizens experienced in business and community development, minority business enterprises, addressing racial income disparities, and creating jobs ~~in low-income areas~~ for low-income and minority persons;

(2) ~~it~~ has the technical skills to analyze projects;

(3) ~~it~~ is familiar with other available public and private funding sources and economic development programs;

(4) ~~it~~ can initiate and implement economic development projects;

(5) ~~it~~ can establish and administer a revolving loan account or has operated a revolving loan account; ~~and~~

(6) ~~it~~ can work with job referral networks which assist minority and ~~other persons in low-income areas~~ low-income persons; and

(7) has established relationships with minority communities.

(b) The department shall review existing agreements with nonprofit corporations every five years and may renew or terminate the agreement based on the review. In making its review, the department shall consider, among other criteria, the criteria in paragraph (a).

Subd. 3. **Revolving loan fund.** (a) The board shall establish a revolving loan fund to make grants to nonprofit corporations for the purpose of making loans ~~and loan guarantees~~ to ~~new and expanding~~ businesses ~~in a low-income area to promote~~ owned by minority or low-income persons or women or veterans and to support minority business enterprises and job creation for minority and ~~other persons in low-income areas~~ low-income persons.

(b) Nonprofit corporations that receive grants from the department under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

(c) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries. Loan applications given preliminary approval by the nonprofit corporation must be forwarded to the board for approval. The commissioner must give final approval for each loan ~~or loan guarantee~~ made by the nonprofit corporation. The amount of the state funds contributed to any loan ~~or loan guarantee~~ may not exceed 50 percent of each loan.

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made ~~or guaranteed~~ by nonprofit corporations under the ~~urban challenge grant~~ program.

(b) Loans ~~or guarantees~~ must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the ~~urban challenge grant~~ program.

(c) A loan ~~or guarantee~~ must be used ~~for a project designed to benefit persons in low-income areas through the creation of job or business opportunities for them~~ to support a business owned by a minority or a low-income person or woman or veteran. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan ~~or guarantee~~ is $5,000 and the maximum is $150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants ~~from low-income areas~~.

Subd. 4a. **Microenterprise loan.** ~~Urban challenge~~ Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of ~~$1,000~~ $5,000 and a maximum of ~~$25,000~~ $35,000; ~~and~~

(3) in a low-income area, they may be made for a minimum of $5,000 and a maximum of $50,000; and

~~(3)~~ (4) they do not require a match.

Subd. 5. **Revolving fund administration~~; rules~~.** (a) The board shall establish a minimum interest rate for loans or guarantees to ensure that necessary loan administration costs are covered.

(b) Loan repayment ~~amounts equal to one-half~~ of ~~the~~ principal ~~and interest~~ must be ~~deposited in a revolving fund created by the board for challenge grants. The remaining amount of the loan repayment may be~~ paid to the department for deposit in the revolving loan fund. Loan interest payments must be deposited in a revolving loan fund created by the nonprofit corporation originating the loan being repaid for further distribution, consistent with the loan criteria ~~specified in subdivision 4~~ of this section.

(c) Administrative expenses of the ~~board and~~ nonprofit corporations with whom the board enters into agreements ~~under subdivision 2~~, including expenses incurred by a nonprofit corporation in providing financial, technical, managerial, and marketing assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of the interest earned on loans and out of interest earned on money invested by the state Board of Investment under section 116M.16, subdivision 2, as may be provided by the board.

~~Subd. 6. **Rules.** The board shall adopt rules to implement this section.~~

Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit corporation with which it has entered into an agreement under subdivision ~~1~~ 2. ~~These loans must be used to support a new or expanding business.~~ This support may include such forms of financing as the sale of goods to the business on installment or deferred payments, lease purchase agreements, or royalty investments in the business. The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee. The nonprofit corporation must provide at least an equal match to the loan received by the board. The maximum loan available to the nonprofit corporation under this subdivision is $50,000. Loans made to the nonprofit corporation under this subdivision may be made without interest. Repayments made by the nonprofit corporation must be deposited in the revolving fund created for ~~urban initiative~~ program grants.

Subd. 7. **Cooperation.** A nonprofit corporation that receives ~~an urban challenge~~ a program grant shall cooperate with other organizations, including but not limited to, community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 8. **Reporting requirements.** A nonprofit corporation that receives a ~~challenge~~ program grant shall:

(1) submit an annual report to the board by ~~September~~ March 30 of each year that includes a description of ~~projects~~ businesses supported by the ~~urban challenge~~ grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons ~~in low-income areas~~, the source and amount of money collected and distributed by the ~~urban challenge grant~~ program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Subd. 9. **Capacity building grants.** The department may make grants to nonprofit corporations for the purpose of building their capacity to meet the eligibility criteria for the grant program under subdivision 2, or in applying for the Department of Employment and Economic Development's business development competitive grant program. Funding priority must be given to those applicants that can demonstrate that they have established

relationships with minority communities and have provided small business-related services primarily to low-income and minority business enterprises.

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

Sec. 26. Minnesota Statutes 2014, section 179A.041, is amended by adding a subdivision to read:

Subd. 10. **Open meetings.** Chapter 13D does not apply to meetings of the board when it is deliberating on the merits of unfair labor practice charges under sections 179.11, 179.12, and 179A.13; reviewing a recommended decision and order of a hearing officer under section 179A.13; reviewing decisions of the commissioner of the Bureau of Mediation Services relating to unfair labor practices under section 179A.12, subdivision 11; or exercising its hiring authority under section 179A.041.

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

Sec. 27. Minnesota Statutes 2014, section 179A.041, is amended by adding a subdivision to read:

Subd. 11. **Report.** The board shall prepare and submit a report to the governor and the chairs and ranking minority members of the committees with jurisdiction over the board by November 15, 2017. The report shall summarize the nature, number, and resolution of charges filed with the board. The report shall cover the period of July 1, 2016, through June 30, 2017.

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

Sec. 28. **[462A.38] WORKFORCE AND AFFORDABLE HOMEOWNERSHIP DEVELOPMENT PROGRAM.**

Subdivision 1. **Establishment.** A workforce and affordable homeownership development program is established to award homeownership development grants to nonprofit organizations, cooperatives created under chapter 308A or 308B, and community land trusts created for the purposes outlined in section 462A.31, subdivision 1, for development of workforce and affordable homeownership projects. The purpose of the program is to increase the supply of workforce and affordable, owner-occupied multifamily or single-family housing throughout Minnesota.

Subd. 2. **Use of funds.** (a) Grant funds awarded under this program may be used for:

(1) development costs;

(2) rehabilitation;

(3) land development; and

(4) residential housing, including storm shelters and related community facilities.

(b) A project funded through the grant program shall serve households that meet the income limits as provided in section 462A.33, subdivision 5, unless a project is intended for the purpose outlined in section 462A.02, subdivision 6.

Subd. 3. **Application.** The commissioner shall develop forms and procedures for soliciting and reviewing applications for grants under this section. The commissioner shall consult with interested stakeholders when developing the guidelines and procedures for the program. In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available appropriations.

Subd. 4. **Awarding grants.** Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost.

Subd. 5. **Statewide program.** The agency shall attempt to make grants in approximately equal amounts to applicants outside and within the metropolitan area.

Subd. 6. **Report.** Beginning January 15, 2018, the commissioner must annually submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over housing and workforce development specifying the projects that received grants under this section and the specific purposes for which the grant funds were used.

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

Sec. 29. Minnesota Statutes 2014, section 473.121, subdivision 2, is amended to read:

Subd. 2. **Metropolitan area or area.** "Metropolitan area" or "area" means the area over which the Metropolitan Council has jurisdiction, including only the counties of Anoka; Carver; Dakota excluding the ~~city~~ cities of Northfield and Cannon Falls; Hennepin excluding the cities of Hanover and Rockford; Ramsey; Scott excluding the city of New Prague; and Washington.

Sec. 30. **DAY TRAINING AND HABILITATION GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish a day training and habilitation grant program in fulfillment of the Olmstead Plan purpose of ensuring that people with disabilities have choices for competitive, meaningful, and sustained employment in the most integrated setting.

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

(b) "Day training and habilitation providers" means those organizations whose names are listed as Department of Human Services providers in the Minnesota Department of Administration, Materials Management Division, ALP Manual, Appendix J, without regard to whether they are listed as approved vendors with the Minnesota Department of Employment and Economic Development, Division of Rehabilitation Services as a community rehabilitation provider, limited-use vendor, or center for independent living, and irrespective as to whether they are accredited by CARF International.

(c) "Competitive employment" means full-time or part-time employment, with or without support, in an integrated setting in the community that pays at least minimum wage, as defined by the Fair Labor Standards Act, but not less than the customary wage and level of benefits paid by the employer for the same or similar work performed by workers without a disability.

(d) "Olmstead Plan" means Minnesota's 2013 Olmstead Plan, dated November 1, 2013, and all subsequent modifications approved by the United States District Court.

Subd. 3. **Competitive process.** The commissioner shall issue a request for proposals to day training and habilitation providers seeking proposals to assist the Department of Employment and Economic Development in achieving its goals as provided in the Olmstead Plan. Grant funds shall be used to improve individual employment outcomes by aligning programs, funding, and policies to support people with disabilities to choose, secure, and maintain competitive employment and self-employment, including, but not limited to, the following activities:

(1) implementing policies and initiating processes that improve the employment outcomes of working adults with disabilities;

(2) offering incentives for innovation that increase competitive employment in the general work force;

(3) expanding the flexibility in current funding and services to increase competitive employment outcomes;

(4) providing evidence of partnerships with private sector businesses and public sector employment; and

(5) submitting outcome data, required by the department, according to the stipulations of the Olmstead Plan.

Subd. 4. **Eligibility.** Any person who has a disability as determined by the Social Security Administration or state medical review team is eligible to receive services provided with grant funds.

Subd. 5. **Consultation required.** The commissioner shall consult with the governor's Workforce Development Council, the Commission of Deaf, DeafBlind, and

Hard-of-Hearing Minnesotans, the governor's Council on Developmental Disabilities, and other governor-appointed disability councils in designing, implementing, and evaluating the competitive grant program.

Subd. 6. **Report.** On or before February 1, 2017, and annually thereafter, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over employment and economic development policy and finance on the amount of funds awarded and the outcomes reported by grantees.

Sec. 31. **EXPLOITED FAMILIES RENTAL ASSISTANCE PROGRAM .**

Subdivision 1. **Rental assistance program.** (a) The commissioner of housing finance shall establish a grant program within the housing trust fund to serve families from emerging communities at risk of being homeless and who have been victims of gender-based violence, including, but not limited to domestic violence, sexual assault, trafficking, international abusive marriage, or forced marriage. For the purposes of this section the term "gender-based violence" is defined as violence that is directed against a woman because she is a woman or that affects women disproportionately; and the term "emerging communities" is defined as refugee and immigrant communities who are less established, who are unfamiliar with mainstream government services, or who have limited English proficiency. The commissioner shall award grants to organizations that can provide linguistically and culturally appropriate services and that have the capacity to serve families who have experienced gender-based violence from emerging communities.

(b) The program must:

(1) provide rental assistance to individuals with a minor child at risk of being homeless and who have been victims of domestic violence, sexual assault, trafficking, international abusive marriage, or forced marriage;

(2) require the participants to pay at least 30 percent of the participant's income toward the rent;

(3) allow the families to choose their own housing, including single-family homes, townhomes, and apartments;

(4) give priority to large families who experience barriers in accessing housing, including having limited English proficiency, lack of positive rental history, employment history, and financial history; and

(5) require the program participants to be employed, or actively seeking employment, or be engaged in activities that will assist them in gaining employment.

Subd. 2. **Program evaluation.** All grant recipients must collect and make available to the commissioner, aggregate data to assist the agency in the evaluation of the program. The commissioner shall evaluate the program effectiveness and measure the number of families served from emerging communities, the support services provided for families in seeking employment and achieving economic-stability, and the employment and housing status of the participants.

Sec. 32. **"GETTING TO WORK" GRANT PROGRAM.**

Subdivision 1. **Creation.** The commissioner of employment and economic development shall make grants to nonprofit organizations to establish and operate programs under this section that provide, repair, or maintain motor vehicles to assist eligible individuals to obtain or maintain employment.

Subd. 2. **Qualified grantee.** A grantee must:

(1) qualify under section 501(c)(3) of the Internal Revenue Code; and

(2) at the time of application offer, or have the demonstrated capacity to offer, a motor vehicle program that provides the services required under subdivision 3.

Subd. 3. **Program requirements.** (a) A program must offer one or more of the following services:

(1) provision of new or used motor vehicles by gift, sale, or lease;

(2) motor vehicle repair and maintenance services; or

(3) motor vehicle loans.

(b) In addition to the requirements of paragraph (a), a program must offer one or more of the following services:

(1) financial literacy education;

(2) education on budgeting for vehicle ownership;

(3) car maintenance and repair instruction;

(4) credit counseling; or

(5) job training related to motor vehicle maintenance and repair.

(c) A program may also offer other transportation-related support services.

Subd. 4. **Application.** Applications for a grant must be by a form provided by the commissioner and on a schedule set by the commissioner. Applications must, in addition to any other information required by the commissioner, include the following:

(1) a detailed description of all services to be offered;

(2) the area to be served;

(3) the estimated number of program participants to be served by the grant; and

(4) a plan for leveraging resources from partners that may include, but are not limited to:

(i) automobile dealers;

(ii) automobile parts dealers;

(iii) independent local mechanics and automobile repair facilities;

(iv) banks and credit unions;

(v) employers;

(vi) employment and training agencies;

(vii) insurance companies and agents;

(viii) local workforce centers; and

(ix) educational institutions including vocational institutions and jobs or skills training programs.

Subd. 5. **Participant eligibility.** (a) To be eligible to receive program services, a person must:

(1) have a household income at or below 200 percent of the federal poverty level;

(2) be at least 18 years of age;

(3) have a valid driver's license;

(4) provide the grantee with proof of motor vehicle insurance; and

(5) demonstrate to the grantee that a motor vehicle is required by the person to obtain or maintain employment.

(b) This subdivision does not preclude a grantee from imposing additional requirements, not inconsistent with paragraph (a), for the receipt of program services.

Subd. 6. **Allocation of grants.** The commissioner shall allocate grants to up to 15 grantees so that, to the extent feasible, program services are available in every county of the state.

Subd. 7. **Report to legislature.** By February 15, 2018, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over workforce and economic development on program outcomes. At a minimum, the report must include:

(1) the total number of program participants;

(2) the number of program participants who received each of the following:

(i) provision of a motor vehicle;

(ii) motor vehicle repair services; and

(iii) motor vehicle loan; and

(3) an analysis of the impact of the "Getting to Work" grant program on the employment rate and wages of program participants.

Sec. 33. **REVISOR'S INSTRUCTION.**

In the next editions of Minnesota Statutes and Minnesota Rules, the Revisor of Statutes shall change the term "Urban Initiative Board" to "Minnesota Initiative Board," "board," or similar terms as the context requires.

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