

S.F. No. 9 – Jobs and Economic Growth Omnibus

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Article 1 – Appropriations

Provides appropriations, adjusts prior appropriations, and specifies cancellations of certain fiscal year 2021 appropriations. See spreadsheet for details.

Article 2 – Economic Development

Section 1. Receipt of gifts, money; appropriation. Allows the commissioner of DEED to accept donations and use them as additional funding for the State Services for the Blind.

Section 2. Eligible projects. Modifies the greater Minnesota business development public infrastructure grant program (BDPI) to allow up to 15 percent of the development of a project to be for a purpose that is not included as an eligible project. Requires a city or county to provide notice to the commissioner for the commissioner's approval of the proposed project.

Section 3. Ineligible projects. Technical conforming change as a result of the changes in section 2.

Section 4. Development restrictions expiration. Allows an eligible project for which the public infrastructure was intended but not developed, after ten years from a BDPI grant award, for any other lawful project to be developed and supported by the public infrastructure. Requires the city or county to notify the commissioner of the project.

Section 5. Main Street Economic Revitalization Program.

Subd. 1. Definitions. Defines key terms for the program.

Subd. 2. Establishment. Establishes the Main Street Economic Revitalization Program to fund eligible projects designed to address the greatest economic development and redevelopment needs that have arisen in the community surrounding the project since March 15, 2020.

Subd. 3. Grants to partner organizations. Establishes the procedures for the commissioner to make grants to partner organizations. Establishes three grant rounds and allows partners apply in multiple rounds for new or previously unfunded projects. Allows up to four percent of the grant to be used for the administrative and monitoring costs of the partner.

Subd. 4. Award criteria. Gives funding preference to applications that (1) have the greatest regional economic impact and (2) have the greatest portion of the estimated cost met through nonstate funds.

Subd. 5. Leveraged grants to eligible recipients. Limits leveraged grants to eligible recipients to a maximum of \$750,000 and no more than 30 percent of the total cost of an eligible project. Requires that eligible projects secure commitments for all required matching funds and development approvals before the leveraged grant may be distributed.

Subd. 6. Guaranteed loans to eligible recipients. Limits guaranteed loans to eligible recipients to a maximum of \$2,000,000 and a term of no more than 15 years. Requires that eligible projects secure all required development approvals before the guaranteed loan may be distributed and that, upon origination, the commissioner reserve ten percent of the loan amount in the loan guarantee trust fund account to cover defaults.

Subd. 7. Required terms for guaranteed loans. Lists technical and procedural requirements for guaranteed loans.

Subd. 8. Loan guarantee trust fund established. Establishes an account in the special revenue fund to pay for defaulted loan guarantees. Cancels to the state general fund any funds remaining in the account on the day this section expires.

Subd. 9. Statewide program. Stipulates that funding under this section shall be split between the metropolitan areas and greater Minnesota in proportion to eligible demand in an approximately equal dollar amount, not to exceed 65 percent in any one area. Allows any remaining funding after June 30, 2023, to be distributed without regard to geographic area.

Subd. 10. Exemptions. Exempts the program, until December 31, 2023, from certain grants management requirements. Requires the commissioner of DEED to audit the use of grant funds in accordance with standard accounting practices.

Subd. 11. Reports. Requires a report by January 31, 2022, and annually until December 31, 2026, biennially thereafter with legislative permission, from each partner organization to the commissioner about projects funded, any economic development gains attributable to the project, and administrative expenses. Requires a report by February 15, 2022, and annually until December 31, 2026, biennially thereafter with legislative permission, from the commissioner to the legislature that includes the information from the reports from the partner organizations and a report on the performance of the loan guarantee trust fund.

Subd. 12. Expiration. Sets December 31, 2036, as the date the program expires.

Section 6. Automation technology. Adds a definition of “automation technology” to the job training grants program.

Section 7. Employee. Broadens the definition of “employee” to include workers in existing jobs for the job training grants program.

Section 8. Employer. Broadens the definition of “employer” to include those investing in automation, as well as those creating new jobs, for the job training grants program.

Section 9. Program costs. Makes a conforming change to the job training grants program.

Section 10. Program services. Expands the definition of “program services” to include both new and existing jobs for the job training grants program.

Section 11. Service provision. Makes job training grants under section 116L.41, rather than 116L.42.

Section 12. Job training incentive program. Creates a job training incentive program, as part of the job training grants, which provides up to \$200,000 to employers in greater Minnesota for training and education for new jobs the commissioner approves, with a preference for programs serving disadvantaged people or areas. Reimburses employer education and training program costs of up to \$10,000 per job and an additional \$1,000 for employees with disabilities.

Section 13. Automation incentive program. Creates a new automation incentive program, as part of the job training grants, which provides up to \$35,000 to manufacturing or skilled assembly employers in greater Minnesota with less than 150 employees that invested in new automation technology in the past year or plan to in the near future. Reimburses employers for the cost of training and educating employees to work with this new technology, with preference for programs serving disadvantaged people or areas, up to \$5,000 per employee.

Section 14. Agreements; required terms. Changes the wage requirement for the job training grants from the prevailing wage in that county to 120 percent of the federal poverty level for a family of four, plus benefits.

Section 15. Recovery of program costs. Makes a conforming change, broadening the job training grants to both new and existing employees.

Section 16. Reports. Requires a new report to the legislature about the job training grants by February 1, 2024, which must include an analysis of the effectiveness of the grants in encouraging investments in automation.

Section 17. Business and Community Development. Amends session law from 2017 to allow the appropriation to be used for a grant for wastewater infrastructure to support industrial users in Rosemount that require significant water use. Makes the grant funds available until June 30, 2025. This section is effective retroactively from July 1, 2017.

Section 18. Business and Community Development. Amends session law from 2019 to increase the loan amount and clarify the purpose and requirements of the Duluth paper mill project. This section is effective retroactively from July 1, 2019.

Section 19. Launch Minnesota. Amends the section of the 2019 Jobs Omnibus law that established the Launch Minnesota program to refine program definitions and priorities, as well as make technical corrections.

Section 20. Onetime exception to restrictions on use of Minnesota investment fund local government loan repayment funds. Allows a onetime exception to the restrictions on use of Minnesota investment funds (MIF) for a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of awarded MIF funds. Provides that if the local government transfers 20 percent of the balance of the money to the general fund before June 30, 2022, the local government may use the remaining funds for any lawful expenditure. A similar exception was allowed for MIF in 2017 and 2019. Requires a report on the use of funds.

Section 21. Minnesota investment fund and Minnesota job creation fund requirements extensions. Grants all recipients of grants from the Minnesota investment fund or job creation fund that were unable to meet the requirements of a business subsidy agreement during the COVID-19 peacetime emergency or the 12 months following it, an extension until December 31, 2022, to meet those requirements before the grant must be repaid. This section is effective retroactively from March 15, 2020.

Section 22. Main Street COVID-19 relief grant program.

Subd. 1. Definitions. Defines key terms for the program.

Subd. 2. Establishment. Establishes the Main Street COVID-19 relief grant program to assist businesses impacted by the pandemic.

Subd. 3. Grants to partner organizations. Establishes procedures for the commissioner to make grants to partner organizations. Allows up to four percent of a grant to be used for administrative and monitoring costs. Returns any funds not spent by June 30, 2022, to the state general fund.

Subd. 4. Grants to businesses. Establishes procedures for partner organizations to make grants to businesses. Sets eligibility criteria for businesses. Gives preference for awards to businesses that did not receive previous state assistance under any of the following programs: Small Business Emergency Loans, Small Business Relief Grants, Grants to Move Theaters and Convention Centers, or County Relief Grants to Local Businesses. Awards all grants via a randomized selection process after a ten day or less application collection period. Sets tiered amounts for grant awards based on the number of employees the business has. Limits businesses to a single grant under this section and allows funds to be used for working capital and operating expenses incurred since March 13, 2020, but not the refinancing of preexisting debt.

Subd. 5. Grants to businesses renting space to other businesses. Establishes procedures for partner organizations to make grants to operators of permanent indoor retail spaces with ethnic cultural emphasis and at least 12 small employer tenants. Allows grants in amounts proportional to the number of tenants, but no more than \$300,000, all but \$25,000 of which must be used for rent relief for existing tenants of the operator.

Subd. 6. Distribution of awards. Sets aside a minimum of:

- \$18,000,000 for grants to businesses with less than the equivalent of six full-time workers;
- \$10,000,000 for grants to minority-owned and operated businesses;

- \$2,500,000 for grants to veteran-owned and operated businesses;
- \$2,500,000 for grants to women-owned and operated businesses;
- \$2,500,000 for grants to operators of permanent indoor retail and food services spaces that have an ethnic cultural emphasis and house many small businesses; and
- \$3,000,000 for grants to operators under subdivision 5.

Subd. 7. Exemptions. Exempts the program, until December 31, 2023, from certain grants management requirements. Requires the commissioner of DEED to audit the use of grant funds in accordance with standard accounting practices.

Subd. 8. Reports. Requires a report by January 31, 2022, from each partner organization to the commissioner about grants made and administrative expenses under the program. Requires a report by February 15, 2022, from the commissioner to the legislature that includes the information from the reports from the partner organizations.

Section 23. Career and technical educator pilot project. Requires Winona State University, in partnership with Minnesota State College Southeast, to develop a teacher preparation program for career and technical educators by the 2024-2025 academic year.

Article 3 – Labor and Industry

Section 1. Data on individuals who are minors. Specifies that disclosure of data on minors is governed by a new section of law (Minnesota Statutes, section 181A.112) found in section 6 of the bill.

Section 2. Apprenticeship rules. Updates the citation to the federal regulations governing apprenticeships (to include equal employment opportunity in apprenticeship).

Section 3. Nursing mothers, lactating employees, and pregnancy accommodations.

Subdivision 1. Nursing mothers. Requires an employer with one or more employees to provide nursing and lactating employees with paid break time to express milk during the twelve months following the birth of the child unless it would cause undue disruption. Prohibits a reduction in compensation for time used to express milk.

Subd. 2. Pregnancy accommodations. Requires an employer with 15 or more employees to provide reasonable accommodations for health conditions related to pregnancy or childbirth, to a requesting employee, unless the employer shows it would be an undue hardship. Provides a list of accommodations that do not require the advice of the employee’s licensed health care provider or certified doula. Provides examples of reasonable accommodations. Specifies that an employee is not required to request leave or accept an accommodation. Current law on pregnancy accommodations, which is being repealed, applies to employers with 21 or more employees. This section is effective January 1, 2022.

Section 4. Data on individuals who are minors. Specifies that when the commissioner of labor and industry collects data on individuals who are minors, the data are considered private data on individuals, except for data classified as public data as listed. Provides that data on minors maintains a classification as private data on individuals after the individual is no longer a minor.

Section 5. Automatic sprinkler systems in existing public housing buildings. Requires existing public housing buildings to have automatic sprinkler systems installed, to code, in every area where one would be required if the building was built on the effective date of this section. Sets August 1, 2033, as the deadline for having sprinklers fully installed. Sets a two-year deadline for the owners of buildings to inform the state fire marshal of their plans for complying and installing an automatic sprinkler system. Allows the state fire marshal to grant extensions to the deadlines for both reporting a compliance plan and fully installing sprinklers.

Section 6. Membership. Adds two additional members to the Construction Codes Advisory Council to include a member with expertise in and engaged in the energy conservation industry and a member with expertise in and engaged in building accessibility.

Section 7. License fees and license renewal fees. Extends construction industry licensing fee reductions that were enacted in 2015 and extended in 2017 for construction contractors, electricians, plumbers, high pressure pipefitters, boiler operators, and also for permit and plan review fees. Clarifies continuing education fees.

Section 8. Definition. Modifies the definition of “place of public accommodation” for purposes of applicability of the State Building Code by lowering the occupancy from 200 or more people to 100 or more people. This reduction will capture smaller venues as a place of public accommodation subject to the State Building Code.

Section 9. Enforcement. Clarifies that the commissioner of labor and industry will enforce the State Building Code in a municipality that has not adopted the code for places of public accommodation effective to coincide with the date the statute was enacted.

Section 10. Fire sprinklers required. Requires automatic fire sprinklers to be installed in a place of public accommodation if it was constructed, added to, or altered after August 1, 2008, and the occupancy of the venue is more than 300 people. A place of public accommodation that has an occupancy load of fewer than 300 people would not be required to install automatic fire sprinklers.

Section 11. Continuing education requirements; extension of time. Reduces the hours of continuing education required for certified building officials from 38 hours to 35 hours within each two-year certification period.

Section 12. Commercial chemical dispensing system. Defines commercial chemical dispensing system.

Section 13. Commercial dishwashing machine. Defines commercial dishwashing machine.

Section 14. License required. Exempts from licensure as a plumber installers of commercial chemical dispensing systems and dishwashers under certain circumstances. Namely when the person servicing or installing such a system or machine is an employee of the distributor or manufacturer, meets minimum training requirements, is properly insured by the manufacturer or distributor, and the connections the system or machine are fitted to were initially installed by a licensed plumber. Requires a commercial chemical dispensing system installed under this exemption must comply with a technical standard or contain code-approved integral backflow protection.

Sections 15 to 18. Contractor recovery fund. Makes changes to the definitions, payment limitations, and applications for compensation for the contractor recovery fund. Limits use of funds in the contractor recovery fund to the stated purposes. Modifies the payment cycle for the contractor recovery fund from once a year to twice a year and increases the limit on total claims against a single contractor to \$550,000.

Section 19. Effective date for Public Employment Relations Board (PERB). Delays implementation of the PERB until July 1, 2023, retroactive to June 30, 2020. Specifies that unfair labor practice cases currently pending before the PERB will remain under PERB’s jurisdiction and under the process in place as of July 1, 2020.

Section 20. Workers’ compensation funding extension. Makes a fiscal year 2020 appropriation for workers’ compensation system upgrades available until June 30, 2023.

Section 21. Loggers safety grant program. Establishes a program to make matching grants of up to \$25,000 to logging industry employers for training and safety equipment recommended by an on-site safety survey to reduce the risk of employee injury or illness. Requires a report to the legislature about the program by January 15, 2023.

Section 22. Repealer. Repeals the existing pregnancy accommodation statute, which is now included in the statute being amended in section 3.

Article 4 – Unemployment Insurance

Section 1. Reemployment assistance training. Modifies the definition of “reemployment assistance training” to allow for additional training options, including enrollment in:

- an adult basic education consortium program;
- an English as a second language program;
- an over-the-road truck driving training program; or
- a program funded by the women and high-wage, high-demand, nontraditional jobs grant program.

This section is effective July 3, 2022.

Section 2. Not eligible (unemployment eligibility for high school students). Repeals the provision in current law that makes secondary students ineligible for unemployment benefits. Allows high school students to qualify for unemployment insurance benefits if they otherwise meet eligibility requirements. This section is effective July 3, 2022.

Section 3. Social Security disability benefits. Eliminates the deduction (offset) from weekly unemployment insurance benefits when the unemployment insurance applicant has received Social Security disability benefits for that week. This section is effective July 3, 2022.

Section 4. Unemployment benefits while in entrepreneurial training. Makes a corresponding technical change related to section 2. This section is effective July 3, 2022.

Section 5. Shared work plan requirements. Decreases the amount of time that an employee needs to be employed by the employer proposing the shared work plan in order to participate in a shared worked program from one year to three months. The shared work program allows employers to

divide available hours of work among a group of employees instead of implementing a full layoff. The participating employees may then receive partial unemployment insurance benefits while working reduced hours. Effective the day following final enactment.

Section 6. Continued suspension of five-week business owner benefit limitation. Extends until September 4, 2021, the temporary suspension of five-week business owner unemployment benefit limitation until. Applies retroactively to December 27, 2020.

Section 7. Leave of absence due to Covid-19. Extends until September 4, 2021, the presumption that a leave of absence due to Covid-19 is an involuntary leave for purposes of benefits eligibility. Applies retroactively to December 27, 2020.

Section 8. Report on impact to unemployment insurance trust fund. Requires a report to the legislature by January 14, 2022, detailing the impact to the unemployment insurance trust fund of expanding unemployment eligibility to high school students under section 2 and removing the social security offset under sections 3 and 9.

Section 9. Repealer. Repeals the Social Security old age insurance benefits deduction (offset). This section is effective July 3, 2022.