



Department of Employment and Economic Development

2012 Regular Session Legislative Report

Bills followed by the Department of Employment and Economic Development

DEED Legislative Team

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DEED-Related Chapters

Chapter	House File	Senate File	Description	Presented	Signed
150	2095	1567	Environmental permits efficiency; environmental review modifications; water supply plans requirements modifications; appropriation	3/29/2012	4/02/2012
201	2582	2224	Unemployment insurance federal conformity, policy and housekeeping provisions	4/18/2012	4/20/2012
216	1967	1675	Children and family services policy, adoption reform, child support, child care, child safety, safe place for newborns; MFIP/DWP simplification; Home and Community-Based Services Standards (HCBS)	4/20/2012	4/23/2012
238	2169	1922	State agency rulemaking regulation and reporting methods provisions modifications	4/24/2012	4/27/2012
247	2294	2093	Health and human services omnibus bill.	4/25/2012	4/28/2012
288	1721	1441	Redevelopment demolition loans authorized, semiannual report eliminated, small business advocate office established in the Business Assistance Center, and Albert Lea granted the authority to establish an industrial sewer charge rebate program.	5/07/2012	5/10/2012

DEED-Related Chapters

Chapter	House File	Senate File	Description	Presented	Signed
292	2967	2558	Equalizing factors and threshold rates updated to reflect the changed adjusted net tax capacity tax base, education and human services appropriations updated for changes reflected in the February forecast, veterans job-training program provided for, supplemental budget appropriations provided, disposition of fees modified, newborn screening provisions modified, Housing Finance Agency provisions modified, reports required, and money appropriated.	5/08/2012	5/10/2012
293	1752	1463	Omnibus bonding bill - 2012	5/09/2012	5/11/2012
294	2690	2136	Individual income, corporate franchise, property, sales and use, and other taxes and tax-related provisions changed; supplemental targeting refund provided; city aid payments modified and cities exempted from 2011 aid payment penalties; technical, minor, and clarifying changes made in enterprise zone and economic development powers, and obsolete provisions eliminated; fund transfer required, and money appropriated.	5/11/2012	5/14/2012
295	2093	1653	Independent contractors provisions modifications; fire sprinkler installation requirement in single-family detached homes prohibition	5/11/2012	5/14/2012

Business and Community Development Division

Policy

Environmental Permitting

Amends 116J.035 by adding Subd. 8. Creates Minnesota Business First Stop, a multi-agency collaboration led by DEED to ensure the coordination, implementation and administration of state permits for business development. Coordinates decision making related to state air, land and water resources. Coordinates understanding between other units of government. Identifies all state permits and other programs that pertain to the use of natural resources and protection of the environment.

Reference: [Chapter 150](#), SF 1567, Article 1, Section 8

Contact: Kari Howe, 218-766-5282 or kari.howe@state.mn.us

Redevelopment Demolition Loans Authorized

Amends MS 116J.571; 116J.572; 116J.575; adds M.S. 116J.5761 – 5765. Creates the Demolition Loan Program. Loans can be awarded to local units of government to demolish buildings for development in the future (where there is not an immediate redevelopment plan proposed which would be eligible under the Redevelopment Grant Program). Interest rate is 2%, no payments for 3 years. Loans may be forgiven up to ½ of outstanding loan balance if a redevelopment is realized on the site based on development benefits.

Reference: [Chapter 288](#), HF 1721, Sections 1-9

Contact: Meredith Udoibok, 651-259-7454 or Meredith.udoibok@state.mn.us

Small Business Advocate Office

Amends MS 116J.66. Creates a small business advocate office in the Department of Employment and Economic Development's Business Assistance Center to provide information or assistance in obtaining state business licenses, meeting state regulatory requirements, or resolving disputes with state agencies. There is no appropriation and "advocate" remains undefined. The operational relationship between this new language and the existing advocacy language of Minn. Stat. 116J.76(g) remains to be determined.

Reference: [Chapter 288](#), HF 1721, Section 10

Contact: Charles Schaffer, 651-259-7477 or charles.schaffer@state.mn.us

Modification of Local Property Tax Abatement

Amends MS 469.1813, subd. 6b. This provision removes the eligibility provisions for property tax abatement awarded by local governments. All taxpayers whose real and personal property is subject to taxation are now eligible for an abatement rather than businesses in a limited number of industries.

Reference: [Chapter 294](#), HF 2690, Article 2, Section 41

Contact: Bob Isaacson, 651-259-7458 or Bob.Isaacson@state.mn.us

Repeal of International Economic Development Zone

Repeals MS 469.321 – 329. This provision repeals all tax incentive provisions related to the construction and operation of a facility in an international economic development zone.

Reference: [Chapter 294](#), HF 2690, Article 2, section 43

Contact: Bob Isaacson, 651-259-7458 or Bob.Isaacson@state.mn.us

Modification of Border Cities Statutes

Amends MS 469.166 – 469. 1735; 469.301 – 469.309. This provision modifies border cities statutes by eliminating obsolete language and streamlining statutes.

Reference: [Chapter 294](#), HF 2690, Article 2

Contact: Bob Isaacson, 651-259-7458 or Bob.Isaacson@state.mn.us

Bonding Appropriations

Program and Statute	Funding	Statute Language
Greater Minnesota Business Development Public Infrastructure Grant Program Chapter 293 , HF 1752, Sec. 21 Subd. 2 Contact: Jeremy LaCroix, 651-259-7465 or Jeremy.Lacroix@state.mn.us	\$6,000,000	May be used for Lake Superior-Poplar River Water District, created in Section 52 of the Bill. At least \$1,200,000 must be committed from nonstate sources.
Redevelopment Account Chapter 293 , HF 1752, Sec. 21 Subd. 3 Contact: Meredith Udoibok, 651-259-7454 or Meredith.udoibok@state.mn.us	\$3,000,000	
Transportation Economic Development Program Chapter 293 , HF 1752, Sec. 21 Subd. 4 Contact: Jeremy LaCroix, 651-259-7465 or Jeremy.Lacroix@state.mn.us	\$3,000,000	
Business Development Through Capital Project Grants Chapter 293 , HF 1752, Sec. 21 Subd. 5 Contact: Bob Isaacson, 651-259-7458 or Bob.Isaacson@state.mn.us	\$47,500,000	Program is established in Section 33 of the Bill by amending MS 116J.433
Austin Port Authority Research and Technology Center Chapter 293 , HF 1752, Sec. 21 Subd. 6 Contact: Emily Johnson, 651-259-7450 or Emily.A.Johnson@state.mn.us	\$13,500,000	Requires an equal match. For a new building addition to the Hormel Institute, including research labs, research technology space and support offices.

Program and Statute	Funding	Statute Language
<p>Bemidji Regional Public Television Station Chapter 293, HF 1752, Sec. 21 Subd. 7 Contact: Emily Johnson, 651-259-7450 or Emily.A.Johnson@state.mn.us</p>	\$3,000,000	Requires a 25% match.
<p>South Saint Paul Floodwall Extension Chapter 293, HF 1752, Sec. 21 Subd. 8 Contact: Emily Johnson, 651-259-7450 or Emily.A.Johnson@state.mn.us</p>	\$500,000	Requires Commissioner of MMB to verify equal match from non-State Sources.

Public Facilities Authority

Bonding Appropriations

Program and Statute	Funding	Statute Language
State Match for Federal Grants Chapter 293 , HF 1752, Sec. 22 Subd. 2 Contact: Jeff Freeman, 651-259-7465 or jeff.freeman@state.mn.us	\$8,500,000	This is for a one year match. Will need to seek additional funding next year.
Wastewater Infrastructure Funding Program Chapter 293 , HF 1752, Sec. 22 Subd. 3 Contact: Jeff Freeman, 651-259-7465 or jeff.freeman@state.mn.us	\$15,000,000	\$5,000,000 is for the Central Iron Range Sanitary Sewer District. Limits in 446A.72 are waived.

Unemployment Insurance (UI) Division

Policy

Unemployment Insurance Policy and Housekeeping

Amends MS 268; Repeals MN Rules, part 3315.0555, subparts 2-4. The act makes policy and housekeeping changes relating to the administration of the unemployment insurance program. The bill was vetted and reviewed by the Unemployment Insurance Advisory Council prior to introduction. Recent changes in federal law required Minnesota to make several changes to the unemployment insurance law in order to continue to receive full Federal Unemployment Tax Act (FUTA) tax credits for all Minnesota employers. These changes are found in Article 1 of the act and include penalties on employers who establish a pattern of failing to respond timely or accurately to requests for information from the department. Policy provisions of Article 2 of the act include: crediting money received from penalties and interest payments to the UI trust fund, reducing the earnings deduction for applicants who take part-time or temporary jobs from 55 percent of the earnings to 50 percent, cancelling fraud overpayments after 10 years rather than 15 years, and prohibiting employers from making agreements with employees in exchange for not contesting the award of unemployment benefits. Article 3 of the act makes technical and housekeeping changes.

Reference: [Chapter 201](#), SF2224

Contact: Craig Gustafson, 651-259-7228 or craig.gustafson@state.mn.us

Independent Contractor Registration Pilot Project

Amends MS 181.723; 289A.31, subd. 5. The act phases out the Independent Contractor Exemption Certificate program and replaces it with a registration pilot project. The project is effective July 1, 2012 and is for the registration of persons who perform public or private sector commercial or residential building construction or improvement services. The purpose of the pilot project is to evaluate whether the information obtained through registration assists the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees.

Reference: [Chapter 295](#), SF1653, Article 2

Contact: Craig Gustafson, 651-259-7228 or craig.gustafson@state.mn.us

Vocational Rehabilitation and State Services for the Blind

Policy

Home and Community-Based Waivers; Providers and Payment

Amends MS 256B.4912. This section is amended to change provider payment rate setting for Home and Community Based Waiver services for persons with disabilities. One provision forbids payment for extended employment services under Minnesota Rules, parts 3300.2005 to 3300.3100, or vocational rehabilitation services provided under the federal Rehabilitation Act, as amended, Title I, section 110, or Title VI-C.

Reference: [Chapter 216](#), S.F. 1675, Article 18, section 26, subd 4. (D) 4

Contact: John Sherman, 651-259-7440 or John.sherman@state.mn.us

Workforce Development Division

Policy

Permissive Preference for Veterans in Private Employment

Creates MS 197.4551. Private sector employers can give hiring and promotion preference to veterans and spouses of a deceased or permanently and total disabled veteran without fear of getting sued.

Reference: [Chapter 186](#), SF 1599

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Uniformed Services Employment and Reemployment Rights Act (USERRA)

Amends MS 1.05 by adding Subd. 5. Veterans who are public employees can now sue the State of Minnesota if their employment rights are violated under the USERRA.

Reference: [Chapter 192](#), SF 1689, Section 1

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Preference for Veterans in Public Employment

Amends MS 43A.09; 192.261, subd. 1; 197.455, subd. 4-5. Veterans get a preference applied for state and local government jobs. Points are added to the civil service exam for veteran and disabled veteran status; veterans who are public employees who are injured as a result of service related duty are allowed to go on unpaid leave which will allow them to collect military benefits and keep their civilian job.

Reference: [Chapter 192](#), SF 1689, Section 2,3,5,6

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

State Emergencies; Reemployment Rights of Nonpublic Employees

Amends MS 192.261, subd. 6. Minnesotans serving in guard units in other states on emergency duty now have their employment rights protected just as Minnesota Guard do.

Reference: [Chapter 192](#), SF 1689, Section 4

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Veterans' Dismissal Hearing Board Modified

Amends MS 197.46. Veterans who work in the Public Sector in Minnesota have special rights when they are being dismissed from a job. This bill amends the veterans preference in dismissal law by adding a requirement that, in the event that a hearing is authorized to be held before a three-person board, the employer's notice of intent to discharge shall state that the veteran must respond within 60 days of receipt of notice and must provide in writing to the governmental subdivision the name and contact information for the veteran's appointment to the hearing board. The failure to provide that information shall constitute a waiver of the veteran's right to the hearing and all other legal remedies available for reinstatement to the position of employment.

Reference: [Chapter 230](#), SF 2316

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Noncompetitive Appointment of Certain Disabled Veterans

Creates MS 43A.111. Allows for the appointment of a disabled veteran to a vacant position in classified service of state government on a noncompetitive basis, provided that the veteran has a service-connected disability of 30 percent or more, the disabled veteran produces written documentation from an appropriate agency of the federal government certifying the existence and extent of the disability, and the agency doing the hiring determines that the veteran is qualified for the position.

Reference: [Chapter 231](#), SF 2354

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Pay Differential for School District Employees in the Guard or Reserve

Amends MS 471.975. School districts must give their deployed employees any difference in pay between their regular pay and military pay after paying a substitute. This provision directs the school district to make up the difference and then pay the substitute from a fund made up of the pooled salary savings of all employees in the service.

Reference: [Chapter 239](#), HF 2949, Article 1, Section 30

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Veteran-Owned Small Business Contracts

Amends MS 161.321; creates MS 375.771. Authorizes counties to provide a bid preference for awarding contracts to veteran-owned small businesses. The bill expanded the preference to an up to six percent bid preference on contracts and also expanded contracts from the heavy construction category to include professional and technical services. The bill also authorizes counties to award up to a six percent preference in the amount bid for procurement of goods, services, and construction. Sets goals that must be met to avoid penalty and requires reporting and review.

Reference: [Chapter 254](#), SF 1597

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Veterans Apprenticeship and On-The-Job Training

Amends MS 197.791 by adding Subd. 5a; amends MS 197.791, subd. 6. Minnesota GI Bill Program. This bill requires the Commissioner of Veterans Affairs to implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program. The Commissioner must consult with the commissioners of DEED and DLI on the development and implementation of this new program.

Reference: [Chapter 292](#), HF 2967, Article 4, Section 12-13

Contact: Jim Finley, 651-259-7557 or jim.finley@state.mn.us

Bonding Appropriations

Program and Statute	Funding	Statute Language
Rochester Community and Technical College Work Force Center Colocation Chapter 293 , HF 1752, Sec. 3, Subd. 16 Contact: Bonnie Elsey, 651-259-7563 or bonnie.elsey@state.mn.us	\$8,746,000	Notwithstanding the ten-year lease limit under MS 16B.24, Subd. 6, the commissioner of administration may enter into a lease agreement of up to 20 years.

Department-Wide

Policy

Agency Rulemaking

Amends MS 14.116; 14.131. The Administrative Procedures Act. The new law makes three substantive changes. By January 15 of each year, each agency must submit its rulemaking docket and the official rulemaking record for any rule adopted during the preceding calendar year to the chairs and ranking minority members of the legislative policy and budget committees with jurisdiction over the subject matter of the rule. Second, the already required statement of need and reasonableness must now add an assessment of the “cumulative effect” of the rule with other federal and state regulations related to the specific purpose of the rule. A definition of “cumulative effect” is included in the legislation. Third, the land and water agencies of the state (not DEED) must submit a specified report to the Governor and Legislature by January 15, 2013.

Reference: [Chapter 238](#), SF 1922

Contact: Chuk Hamilton, 651-649-5452 or chuk.hamilton@state.mn.us

Reports

Autism Housing with Supports Study

The provision requires the commissioner of human services to complete a study by January 15, 2013 to determine models of housing for children with a diagnosis of autistic disorder with supports for human services, education and vocational systems. The commissioners of education, health and employment and economic development are required to consult in the development of this report.

Reference: [Chapter 247](#), H.F. 2294, Article 4, section 50

Contact: John Sherman, 651-259-7440 or John.sherman@state.mn.us

Report on Contamination Cleanup Grants

Amends MS 116J.555, Subd. 2. Eliminates the requirement to send to the legislature reports on the contamination cleanup grants awarded along with supporting information on each grant after each semi-annual grant cycle. DEED will now send annual reports to the legislature on the activities undertaken through the Contamination Cleanup Grant Program.

Reference: [Chapter 288](#), HF 1721, Section 1

Contact: Meredith Udoibok, 651-259-7454 or Meredith.udoibok@state.mn.us

Report on Jobs Created or Retained

Amends MS 16A.633 by adding Subd. 4. Will require amending all “Capital Project” contracts to include this reporting requirement. The report must include the number and types of jobs for each project, whether the jobs are new or retained, where the jobs are located, and pay ranges of the jobs. *NOTE: Guidance to follow from MMB.*

Reference: [Chapter 293](#), HF 1752, Sec. 28